

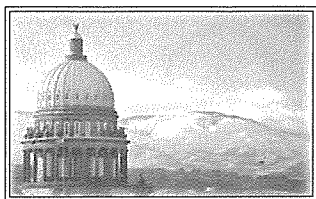
Single Audit Report

For the Fiscal Year Ended June 30, 2007



State of Idaho

Legislative Services Office – Audits Division



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 30, 2008

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Idaho State Legislature
Honorable Donna Jones, State Controller

We are pleased to submit the statewide *Single Audit* of the State of Idaho covering the fiscal year ended June 30, 2007. This report complies with the audit requirements placed on the State of Idaho as a condition for receiving \$1.9 billion in federal assistance (colleges and universities, Idaho Housing and Finance Association, and Idaho Individual High Risk Reinsurance Pool are reported separately).

Idaho does a good job administering its federal funds in compliance with applicable laws and regulations. Questioned costs for fiscal year 2007 totaled \$916,000, although several issues are reported for which questioned costs could not be determined.

The federal audit requirements are contained in Title 31, Chapter 75, United States Code, as amended by the Single Audit Act Amendments of 1996. The objectives of the Single Audit Act are:

- To improve the financial management of state and local governments with respect to federal financial assistance programs through improved auditing.
- To establish uniform requirements for audits of federal financial assistance provided to state and local governments.
- To promote the efficient and effective use of audit resources.
- To ensure that federal departments and agencies, to the maximum extent practicable, rely on and use audit work performed pursuant to the requirements of the Single Audit Act.

The Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, was issued to facilitate the implementation of the Single Audit Act as amended in 1996. *OMB Circular A-133* places the responsibility for identifying major programs to audit on the auditor. A risk-based approach, which considers current and prior audit experience, federal oversight, and inherent risk, is used to identify major programs. All audit issues are in the section entitled "Auditor's Results." Internal control weaknesses and compliance issues related to federal awards are included in the subsection entitled "Federal Findings and Questioned Costs." Internal control weaknesses and compliance issues related to the basic financial statements are included in the section entitled "State Issues Regarding the Comprehensive Annual Financial Report (CAFR)."

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

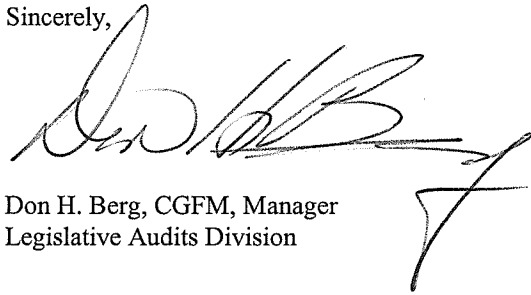
Glenn Harris, Manager
Information Technology

This document contains the following reports and schedules:

- Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*.
- Supplementary Schedules of Expenditures of Federal Awards
- Auditor's Results (schedules of current and prior federal findings and questioned costs)
- State Issues Regarding the Comprehensive Annual Financial Report (CAFR)

The complete *CAFR*, which includes the State's basic financial statements, can be obtained from the Idaho Office of the State Controller (208-334-3100) or accessed on its Website at www.sco.idaho.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don H. Berg', with a long horizontal flourish extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

**STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS*

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i>	1
--	---

SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

Supplementary Schedule of Expenditures of Federal Awards by Federal Department	3
Supplementary Schedule of Expenditures of Federal Awards by State Agency	12
Notes to Supplementary Schedules of Expenditures of Federal Awards	22

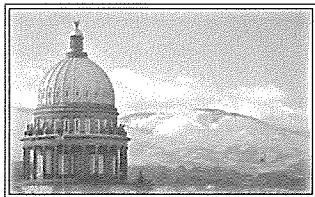
AUDITOR'S RESULTS

Summary of Auditor's Results	29
Schedule of Federal Major Programs	30
Schedule of Federal Findings and Questioned Costs	31
Federal Findings and Questioned Costs	32
Schedule of Prior Federal Findings and Questioned Costs	43
Prior Federal Findings and Questioned Costs	44

STATE ISSUES REGARDING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	64
Schedule of State Findings	66
State Findings and Recommendations	67

*The State's basic financial statements are included in the *Idaho Comprehensive Annual Financial Report (CAFR)* published in conjunction with this *Single Audit Report* by the Office of the State Controller. The *CAFR* can be obtained from the Office of the State Controller (208-334-3100) or accessed on its Web site at www.sco.idaho.gov.



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 30, 2008
December 7, 2007

Independent Auditor's Report on
Compliance with Requirements Applicable
to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Legislature
Honorable Donna Jones, Controller

Compliance

We have audited the compliance of the State of Idaho with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007, except for the following programs. We did not audit the colleges and universities, Idaho Housing and Finance Association, and Idaho Individual High Risk Reinsurance Pool. These awards are not included in the Supplementary Schedules of Expenditures of Federal Awards contained in this report. These entities were audited by other auditors who have furnished their reports to the proper entities. The State of Idaho's major federal programs, except as described above, are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Idaho's management. Our responsibility is to express an opinion on the State of Idaho's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance as to whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Idaho's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Idaho's compliance with those requirements.

In our opinion, the State of Idaho complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, that are required to be reported in accordance with *OMB Circular A-133*, and that are described in the accompanying schedule of findings and questioned costs as findings 07F-2, 07F-6, 07F-8, 07F-9, 07F-10, and 07F-11.

Internal Control Over Compliance

The management of the State of Idaho is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Idaho's internal control over compliance with requirements that

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

could have a direct and material effect on a major federal program, in order to determine our auditing procedures for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Idaho's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 07F-1, 07F-3, 07F-4, 07F-5, and 07F-7 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Responses to the findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. We did not audit the responses and, accordingly, we express no opinion on it.

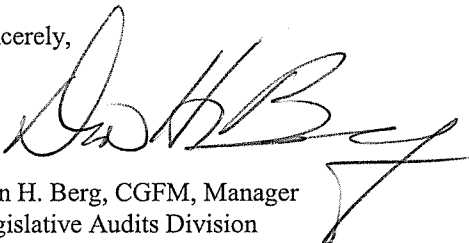
Schedules of Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Idaho's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards is presented for purpose of additional analysis as required by *OMB Circular A-133*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our report contained an unqualified opinion on the basic financial statements. Our opinion expressed therein, insofar as it relates to entities' financial statements that were audited by other auditors, was based solely on the reports of the other auditors.

This report is intended solely for the information and use of the management of the State of Idaho, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a stylized flourish extending from the bottom right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

**STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**SUPPLEMENTARY SCHEDULES OF
EXPENDITURES OF FEDERAL AWARDS**



**SUPPLEMENTARY SCHEDULE
OF
EXPENDITURES OF FEDERAL AWARDS
BY
FEDERAL DEPARTMENT**

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
DEPARTMENT OF AGRICULTURE				
FOOD STAMP CLUSTER:				
Food Stamps	Health and Welfare, Dept. of	10.551	\$96,132,025	NC
State Administrative Matching Grants for Food Stamp Program	Health and Welfare, Dept. of	10.561	10,814,515	
TOTAL FOOD STAMP CLUSTER			<u>\$106,946,540</u>	
CHILD NUTRITION CLUSTER:				
School Breakfast Program	Supt. of Public Instruction	10.553	\$11,552,845	
National School Lunch Program	Supt. of Public Instruction	10.555	34,862,537	
Special Milk Program for Children	Supt. of Public Instruction	10.556	183,573	
Summer Food Service Program for Children	Supt. of Public Instruction	10.559	2,868,887	
TOTAL CHILD NUTRITION CLUSTER			<u>\$49,467,842</u>	
EMERGENCY FOOD ASSISTANCE CLUSTER:				
Emergency Food Assistance Program (Administrative Costs)	Health and Welfare, Dept. of	10.568	\$223,855	NC
Emergency Food Assistance Program (Food Commodities)	Health and Welfare, Dept. of	10.569	756,439	
TOTAL EMERGENCY FOOD ASSISTANCE			<u>\$980,294</u>	
NON-CLUSTERED PROGRAMS:				
Plant and Animal Disease, Pest Control, and Animal Care	Agriculture, Department of	10.025	\$2,850,550	
Plant and Animal Disease, Pest Control, and Animal Care	Lands, Department of	10.025	106,688	
Wildlife Services	Fish and Game, Department of	10.028	45,101	
Federal-State Marketing Improvement Program	Agriculture, Department of	10.156	26,274	
Inspection Grading and Standardization	Agriculture, Department of	10.162	25,466	
Market Protection and Promotion	Agriculture, Department of	10.163	61,196	
Specialty Crop Block Grant Program	Agriculture, Department of	10.169	78,820	PT
Homeland Security-Agricultural	Agriculture, Department of	10.304	9,495	
Food Donation	Supt. of Public Instruction	10.550	4,233,712	
Supplemental Nutrition for Women, Infants, and Children (WIC)	Health and Welfare, Dept. of	10.557	20,648,559	NC
Child and Adult Care Food Program	Health and Welfare, Dept. of	10.558	14,529	
Child and Adult Care Food Program	Supt. of Public Instruction	10.558	5,593,352	
State Administrative Expenses for Child Nutrition	Supt. of Public Instruction	10.560	634,843	
Team Nutrition Grants	Supt. of Public Instruction	10.574	212,138	
Child Nutrition Discretionary Grants Limited Availability	Supt. of Public Instruction	10.579	89,688	
Fresh Fruit and Vegetable Program	Supt. of Public Instruction	10.582	495,351	
Technical Assistance for Specialty Crops	Agriculture, Department of	10.604	6,327	
Cooperative Forestry Assistance	Agriculture, Department of	10.664	338,726	
Cooperative Forestry Assistance	Lands, Department of	10.664	4,057,256	
Rural Development, Forestry, and Communities	Commerce and Labor, Dept. of	10.672	20,420	
Rural Development, Forestry, and Communities	Lands, Department of	10.672	455,297	
Forest Legacy Program	Lands, Department of	10.676	718,281	
Forest Land Enhancement Program	Lands, Department of	10.677	7,008	
Public Television Station Digital Transition Grant Program	Public Television, Idaho	10.861	378,799	
Soil Survey	Agriculture, Department of	10.903	15,174	
Watershed Surveys and Planning	Agriculture, Department of	10.906	81,915	
Environmental Quality Incentives Program	Lands, Department of	10.912	21,389	
Secure Rural Schools & Community Self-Determination	Parks and Recreation, Dept. of	10.999	1,095	
Miscellaneous Forest Service Grants	Fish and Game, Department of	10.999	929,939	
Miscellaneous Animal and Plant Health Inspection Service Grants	Fish and Game, Department of	10.999	80,749	
Miscellaneous Natural Resources Conservation Service Grants	Fish and Game, Department of	10.999	17,022	
Recreation Initiative	Parks and Recreation, Dept. of	10.999	30,098	
Harriman State Park Restoration	Parks and Recreation, Dept. of	10.999	37,041	
Glade Creek	Parks and Recreation, Dept. of	10.999	4,000	
Marijuana Eradication Forest Service Grants	Police, Idaho State	10.999	11,817	
Cost Share Agreement	Species Conservation, Office of	10.999	18,399	
Public Law 106-393 Project	Species Conservation, Office of	10.999	6,000	
Miscellaneous Department of Agriculture Grants	Water Resources, Dept. of	10.999	18,489	
TOTAL NON-CLUSTERED PROGRAMS			<u>\$42,381,003</u>	
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$199,775,679</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
DEPARTMENT OF COMMERCE				
Interjurisdictional Fisheries Act of 1986	Fish and Game, Department of	11.407	\$6,564	
Columbia River Fisheries Development Program	Fish and Game, Department of	11.436	1,164,503	
Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program	Fish and Game, Department of	11.438	361,148	
Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program	Species Conservation, Office of	11.438	2,129,979	
Regional Fishery Management Councils	Fish and Game, Department of	11.441	17,260	
Habitat Conservation	Fish and Game, Department of	11.463	17,220	
Public Telecommunications Facilities Planning and Construction	Public Television, Idaho	11.550	122,438	
Miscellaneous NOAA Grants	Fish and Game, Department of	11.999	712,259	
TOTAL DEPARTMENT OF COMMERCE			\$4,531,371	
DEPARTMENT OF DEFENSE				
Procurement Technical Assistance for Business Firms	Commerce and Labor, Dept. of	12.002	\$233,798	
Agreement Program for the Reimbursement of Technical Services	Environmental Quality, Dept. of	12.113	106,484	
National Guard Military Operations and Maintenance Projects	Military, Division of	12.401	18,955,285	
Miscellaneous Army Corps of Engineers Grants	Fish and Game, Department of	12.999	78,788	
TOTAL DEPARTMENT OF DEFENSE			\$19,374,355	
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Manufactured Home Construction and Safety Standards	Building Safety, Division of	14.171	\$53,500	
Community Development Block Grants/State's Program	Commerce and Labor, Dept. of	14.228	9,940,123	
CDBG/Brownfields Economic Development Initiative	Historical Society, Idaho State	14.246	26,634	PT
CDBG/Brownfields Economic Development Initiative	Libraries, Idaho Commission for	14.246	4,507	PT
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			\$10,024,764	
DEPARTMENT OF THE INTERIOR				
FISH AND WILDLIFE CLUSTER:				
Sport Fish Restoration	Fish and Game, Department of	15.605	\$5,095,650	
Wildlife Restoration	Fish and Game, Department of	15.611	4,531,796	
TOTAL FISH AND WILDLIFE CLUSTER			\$9,627,446	
NON-CLUSTERED PROGRAMS:				
Indian Education-Assistance to Schools	Supt. of Public Instruction	15.130	\$1,900	
Cultural Resource Management	Environmental Quality, Dept. of	15.224	57,000	
Cultural Resource Management	Historical Society, Idaho State	15.224	6,042	
National Fire Plan-Wildland Urban Interface Community Fire Assistance	Lands, Department of	15.228	180,038	
Fish, Wildlife, and Plant Conservation Resource Management	Fish and Game, Department of	15.231	292,353	
Fish and Wildlife Management Assistance	Fish and Game, Department of	15.608	530,380	
Fish and Wildlife Management Assistance	Species Conservation, Office of	15.608	429,614	
Cooperative Endangered Species Conservation Fund	Agriculture, Department of	15.615	3,124	
Cooperative Endangered Species Conservation Fund	Fish and Game, Department of	15.615	231,679	
Cooperative Endangered Species Conservation Fund	Species Conservation, Office of	15.615	1,009,198	
Clean Vessel Act	Parks and Recreation, Dept. of	15.616	13,770	
Wildlife Conservation and Restoration	Fish and Game, Department of	15.625	18,523	
Partners for Fish and Wildlife	Lands, Department of	15.631	3,606	
Landowner Incentive	Agriculture, Department of	15.633	1,277	
Landowner Incentive	Fish and Game, Department of	15.633	156,093	
State Wildlife Grants	Fish and Game, Department of	15.634	582,829	
Migratory Bird Conservation	Fish and Game, Department of	15.647	4,977	
U.S. Geological Survey-Research and Data Collection	Administration, Department of	15.808	13,511	
Historic Preservation Fund Grants-in-Aid	Historical Society, Idaho State	15.904	538,219	
Outdoor Recreation-Acquisition, Development, and Planning	Parks and Recreation, Dept. of	15.916	1,113,601	
Rangeland Management	Agriculture, Department of	15.999	894,852	
Hazards/Hazmat	Environmental Quality, Dept. of	15.999	47,501	
Miscellaneous Fish and Wildlife Service Grants	Fish and Game, Department of	15.999	4,472,969	
Miscellaneous Bureau of Reclamation Grants	Fish and Game, Department of	15.999	583,523	
Miscellaneous Bureau of Land Management Grants	Fish and Game, Department of	15.999	21,491	
Archaeology Month	Historical Society, Idaho State	15.999	6,893	
Cost Share Lewis and Clark	Historical Society, Idaho State	15.999	10,676	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
Cost Share Lewis and Clark	Historical Society, Idaho State	15.999	\$1,250	PT
Management Data Sharing	Historical Society, Idaho State	15.999	14,471	
Miscellaneous Department of the Interior Grants	Historical Society, Idaho State	15.999	698	
Lake Walcott Projects	Parks and Recreation, Dept. of	15.999	95,334	
City of Rocks National Parks Service	Parks and Recreation, Dept. of	15.999	428,976	
Lake Cascade Park Accessibility	Parks and Recreation, Dept. of	15.999	32,307	
Cascade Reservoir	Parks and Recreation, Dept. of	15.999	171,801	
Recreation Initiative	Parks and Recreation, Dept. of	15.999	86,633	
Miscellaneous Department of the Interior Grants	Parks and Recreation, Dept. of	15.999	540	
Miscellaneous Bureau of Reclamation Grants	Water Resources, Dept. of	15.999	196,657	
Miscellaneous Geological Survey Grants	Water Resources, Dept. of	15.999	24,514	
TOTAL NON-CLUSTERED PROGRAMS			\$12,278,820	
TOTAL DEPARTMENT OF THE INTERIOR			\$21,906,266	
DEPARTMENT OF JUSTICE				
Prisoner Reentry Initiative Demonstration	Juvenile Corrections, Dept. of	16.202	\$117,186	
Combined DNA Index System	Police, Idaho State	16.307	321,797	
Juvenile Accountability Incentive Block Grants	Juvenile Corrections, Dept. of	16.523	497,382	
Juvenile Justice and Delinquency Prevention-Allocation to States	Juvenile Corrections, Dept. of	16.540	455,325	
Title V Delinquency Prevention Program	Juvenile Corrections, Dept. of	16.548	30,281	
Part E State Challenge Activities	Juvenile Corrections, Dept. of	16.549	30,101	
State Justice Statistics Program for Statistical Analysis Centers	Police, Idaho State	16.550	62,685	
National Criminal History Improvement Program	Police, Idaho State	16.554	91,038	
National Forensic Science Improvement	Police, Idaho State	16.560	157,025	
Crime Victim Assistance	Health and Welfare, Dept. of	16.575	1,472,845	
Crime Victim Compensation	Industrial Commission	16.576	833,860	
Edward Byrne Memorial Formula Grant Program	Correction, Department of	16.579	257,103	
Edward Byrne Memorial Formula Grant Program	Police, Idaho State	16.579	664,756	
Edward Byrne Memorial Law Enforcement Assistance Discretionary Grants	Judicial Department	16.580	(6)	PT
Edward Byrne Memorial Law Enforcement Assistance Discretionary Grants	Pharmacy, Board of	16.580	75,467	
Violence Against Women Formula Grants	Police, Idaho State	16.588	877,095	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	Judicial Department	16.590	216,625	
Local Law Enforcement Block Grant Program	Police, Idaho State	16.592	36,632	
Residential Substance Abuse Treatment for State Prisoners	Police, Idaho State	16.593	147,046	
State Criminal Alien Assistance Program	Correction, Department of	16.606	127,432	
Community Prosecution and Project Safe Neighborhoods	Police, Idaho State	16.609	156,808	
Regional Information Sharing Systems	Correction, Department of	16.610	1,386	
Public Safety Partnership and Community Policing Grants	Correction, Department of	16.710	14,752	
Public Safety Partnership and Community Policing Grants	Police, Idaho State	16.710	519,053	
Enforcing Underage Drinking Laws Program	Juvenile Corrections, Dept. of	16.727	380,765	
Protecting Inmates and Safeguarding Communities Discretionary Grant	Correction, Department of	16.735	212,732	
Edward Byrne Memorial Justice Assistance Grant Program	Police, Idaho State	16.738	1,595,218	
Statewide Automated Victim Information Notification	Correction, Department of	16.740	344,565	
Forensic Casework DNA Backlog Reduction Program	Police, Idaho State	16.743	17,162	
Anti-Gang Initiative	Police, Idaho State	16.744	77,808	
Strengthening Abuse and Neglect Courts in America	Judicial Department	16.999	29,494	
Marijuana Eradication Drug Enforcement Administration	Police, Idaho State	16.999	22,112	
Miscellaneous Department of Justice Grants	Police, Idaho State	16.999	(1,124)	
Organized Crime and Drug Task Force	Police, Idaho State	16.999	2,012	
TOTAL DEPARTMENT OF JUSTICE			\$9,844,418	
DEPARTMENT OF LABOR				
EMPLOYMENT SERVICE CLUSTER:				
Employment Service/Wagner-Peyser Funded Activities	Commerce and Labor, Dept. of	17.207	\$7,257,815	
Disabled Veterans' Outreach Program	Commerce and Labor, Dept. of	17.801	336,734	
Local Veterans' Employment Representative Program	Commerce and Labor, Dept. of	17.804	413,313	
TOTAL EMPLOYMENT SERVICE CLUSTER			\$8,007,862	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
WIA CLUSTER:				
WIA Adult Program	Commerce and Labor, Dept. of	17.258	\$2,971,206	
WIA Youth Activities	Commerce and Labor, Dept. of	17.259	2,321,521	
WIA Dislocated Workers	Commerce and Labor, Dept. of	17.260	3,353,844	
TOTAL WIA CLUSTER			<u>\$8,646,571</u>	
NON-CLUSTERED PROGRAMS:				
Labor Force Statistics	Commerce and Labor, Dept. of	17.002	\$663,989	
Compensation and Working Conditions	Industrial Commission	17.005	3,924	
Unemployment Insurance	Commerce and Labor, Dept. of	17.225	126,679,760	
Senior Community Service Employment Program	Aging, Commission on	17.235	426,385	
Senior Community Service Employment Program	Commerce and Labor, Dept. of	17.235	290,615	
Trade Adjustment Assistance	Commerce and Labor, Dept. of	17.245	2,714,303	
WIA Pilots, Demonstrations, and Research Projects	Commerce and Labor, Dept. of	17.261	355,891	
Temporary Labor Certification for Foreign Workers	Commerce and Labor, Dept. of	17.273	71,453	
TOTAL NON-CLUSTERED PROGRAMS			<u>\$131,206,320</u>	
TOTAL DEPARTMENT OF LABOR			<u>\$147,860,753</u>	
DEPARTMENT OF TRANSPORTATION				
FEDERAL TRANSIT CLUSTER:				
Federal Transit-Capital Investment Grants	Transportation Department, Idaho	20.500	\$91,451	
TOTAL FEDERAL TRANSIT CLUSTER			<u>\$91,451</u>	
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER:				
Highway Planning and Construction	Transportation Department, Idaho	20.205	\$288,431,580	
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			<u>\$288,431,580</u>	
HIGHWAY SAFETY CLUSTER:				
State and Community Highway Safety	Transportation Department, Idaho	20.600	\$1,336,531	
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	Transportation Department, Idaho	20.601	398,229	
Safety Incentive Grants for Use of Seatbelts	Transportation Department, Idaho	20.604	133,081	
State Traffic Safety Information System Improvement Grants	Transportation Department, Idaho	20.610	23,697	
Incentive Grant Program to Increase Motorcyclist Safety	Transportation Department, Idaho	20.612	38,034	
TOTAL HIGHWAY SAFETY CLUSTER			<u>\$1,929,572</u>	
NON-CLUSTERED PROGRAMS:				
Airport Improvement Program	Transportation Department, Idaho	20.106	\$32,998	
National Motor Carrier Safety	Police, Idaho State	20.218	2,362,653	
Recreation Trails Program	Parks and Recreation, Dept. of	20.219	1,157,972	
Safety Data Improvement Program	Police, Idaho State	20.234	109	
Formula Grants for Other Than Urbanized Areas	Transportation Department, Idaho	20.509	4,510,722	
Capital Assist. Prog. for Elderly Persons & Persons with Disabilities	Transportation Department, Idaho	20.513	199,908	
State Planning and Research	Transportation Department, Idaho	20.515	60,332	
Pipeline Safety	Public Utilities Commission	20.700	65,949	
Interagency Haz. Materials Public Sector Training & Planning Grants	Military, Division of	20.703	80,900	
TOTAL NON-CLUSTERED PROGRAM			<u>\$8,471,543</u>	
TOTAL DEPARTMENT OF TRANSPORTATION			<u>\$298,924,146</u>	
DEPARTMENT OF THE TREASURY				
Equitable Sharing for Law Enforcement Agencies	Police, Idaho State	21.999	\$369,843	
TOTAL DEPARTMENT OF THE TREASURY			<u>\$369,843</u>	
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Employment Discrimination-Fair Employment Practices Contracts	Human Rights, Commission on	30.002	\$206,439	
TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION			<u>\$206,439</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR AGENCY
PROGRAM OR CLUSTER TITLE

STATE AGENCY

CFDA

AMOUNT

TYPE*

GENERAL SERVICES ADMINISTRATION

Donation of Federal Surplus Personal Property
Election Reform

Administration, Department of
Secretary of State

39.003
39.999

\$1,184,918
5,885,412

NC

TOTAL GENERAL SERVICES ADMINISTRATION

\$7,070,330

NATL. FOUNDATION ON THE ARTS & THE HUMANITIES

Promotion of the Arts-Partnership Agreements

Arts, Commission on the

45.025

\$490,869

Promotion of the Humanities

Historical Society, Idaho State

45.129

2,786

Promotion of the Humanities

Libraries, Idaho Commission for

45.129

700

PT

Grants to States

Libraries, Idaho Commission for

45.310

999,217

TOTAL NATL. FOUNDATION ON THE ARTS & THE HUMANITIES

\$1,493,572

DEPARTMENT OF VETERANS AFFAIRS

Veterans State Nursing Home Care

Veterans Services

64.015

\$5,937,339

Burial Expenses Allowances for Veterans

Veterans Services

64.101

127,399

Miscellaneous Veterans Affairs Grants

Supt. of Public Instruction

64.999

146,401

TOTAL DEPARTMENT OF VETERANS AFFAIRS

\$6,211,139

ENVIRONMENTAL PROTECTION AGENCY

Air Pollution Control Program Support

Environmental Quality, Dept. of

66.001

\$1,342,799

Air Pollution Control Program Support

Environmental Quality, Dept. of

66.001

78,000

NC

State Indoor Radon Grants

Health and Welfare, Dept. of

66.032

62,720

Surveys, Studies, Investigations, Demonstrations, and Special Purpose

Activities Relating to the Clean Water Act

Environmental Quality, Dept. of

66.034

565,483

Surveys, Studies, Investigations, Demonstrations, and Special Purpose

Activities Relating to the Clean Water Act

Environmental Quality, Dept. of

66.034

137,360

NC

Surveys, Studies, Investigations, Demonstrations, and Special Purpose

Activities Relating to the Clean Water Act

Environmental Quality, Dept. of

66.034

8,044

PT

Surveys, Studies, Investigations, Demonstrations, and Special Purpose

Activities Relating to the Clean Water Act

Health and Welfare, Dept. of

66.034

4,976

Congressionally Mandated Projects

Environmental Quality, Dept. of

66.202

931,336

Congressionally Mandated Projects

Environmental Quality, Dept. of

66.202

3,195

PT

Water Pollution Control State, Interstate, and Tribal Program Support

Environmental Quality, Dept. of

66.419

1,674,464

State Public Water System Supervision

Environmental Quality, Dept. of

66.432

1,067,620

State Underground Water Source Protection

Water Resources, Dept. of

66.433

59,453

Surveys, Studies, Investigations, Demonstrations, and Training Grants

and Cooperative Agreements-Clean Water Act

Environmental Quality, Dept. of

66.436

75,526

Water Quality Management Planning

Environmental Quality, Dept. of

66.454

104,966

Capitalization Grants for Clean Water State Revolving Funds

Environmental Quality, Dept. of

66.458

4,085,589

Nonpoint Source Implementation Grants

Environmental Quality, Dept. of

66.460

2,613,624

Regional Wetland Program Development Grants

Agriculture, Department of

66.461

27,152

Regional Wetland Program Development Grants

Fish and Game, Department of

66.461

109,090

Water Quality Cooperative Agreements

Environmental Quality, Dept. of

66.463

71,801

Capitalization Grants for Drinking Water State Revolving Funds

Environmental Quality, Dept. of

66.468

11,233,167

State Grants to Reimburse Operators of Small Water Systems for

Training and Certification Costs

Environmental Quality, Dept. of

66.471

207,858

Water Protection Grants to the States

Environmental Quality, Dept. of

66.474

56,448

Environmental Protection-Consolidated Research

Environmental Quality, Dept. of

66.500

21,616

Surveys, Studies, Investigations and Special Purpose Grants

Water Resources, Dept. of

66.606

433,218

Environmental Information Exchange Network Grant Program

Environmental Quality, Dept. of

66.608

90,646

Protection of Children & Older Adults from Environ. Health Risks

Health and Welfare, Dept. of

66.609

13,552

Consolidated Pesticide Enforcement Cooperative Agreements

Agriculture, Department of

66.700

384,084

Pollution Prevention Grants Program

Environmental Quality, Dept. of

66.708

96,376

Hazardous Waste Management State Program Support

Environmental Quality, Dept. of

66.801

399,778

Superfund State, Political Subdivision, and Indian Tribe Site

Environmental Quality, Dept. of

66.802

14,675,978

State and Tribal Underground Storage Tanks Program

Environmental Quality, Dept. of

66.804

209,667

Leaking Underground Storage Tank Trust Fund Program

Environmental Quality, Dept. of

66.805

423,697

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
Solid Waste Management Assistance Grants	Environmental Quality, Dept. of	66.808	\$15,075	
Solid Waste Management Assistance Grants	Environmental Quality, Dept. of	66.808	9,503	PT
Superfund State & Indian Tribe Core Program Cooperative Agreements	Environmental Quality, Dept. of	66.809	169,076	
State and Tribal Response Program Grants	Environmental Quality, Dept. of	66.817	1,050,963	
State and Tribal Response Program Grants	Environmental Quality, Dept. of	66.817	6,831	PT
Brownfields Assessment and Clean-up Cooperative Agreements	Parks and Recreation, Dept. of	66.818	102,503	
Environmental Education Grants	Health and Welfare, Dept. of	66.951	4,295	
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>\$42,627,529</u>	
DEPARTMENT OF ENERGY				
State Energy Program	Water Resources, Dept. of	81.041	\$904,712	
Weatherization Assistance for Low-Income Persons	Health and Welfare, Dept. of	81.042	1,782,117	
Regional Biomass Energy Programs	Water Resources, Dept. of	81.079	58,532	
Conservation Research and Development	Water Resources, Dept. of	81.086	282,933	
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant	Environmental Quality, Dept. of	81.106	347,050	PT
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Water Resources, Dept. of	81.117	71,169	
State Energy Program Special Projects	Water Resources, Dept. of	81.119	361,449	
Idaho National Laboratory Oversight	Environmental Quality, Dept. of	81.502	3,051,927	
Columbia Fish and Wildlife Program	Agriculture, Department of	81.999	110,352	
Miscellaneous Bonneville Power Grants	Fish and Game, Department of	81.999	6,848,453	
Weatherization Conference	Health and Welfare, Dept. of	81.999	316,157	
Columbia Basin Water Transaction Program	Water Resources, Dept. of	81.999	283,385	
Heat Pump/Air Conditioner Research, Demos & Deployment	Water Resources, Dept. of	81.999	188,220	
TOTAL DEPARTMENT OF ENERGY			<u>\$14,606,456</u>	
DEPARTMENT OF EDUCATION				
SPECIAL EDUCATION CLUSTER (IDEA):				
Special Education-Grants to States	Supt. of Public Instruction	84.027	\$47,823,177	
Special Education-Preschool Grants	Supt. of Public Instruction	84.173	2,134,430	
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>\$49,957,607</u>	
NON-CLUSTERED PROGRAMS:				
Adult Education-State Grant Program	Supt. of Public Instruction	84.002	\$2,674,447	
Title I Grants to Local Educational Agencies	Supt. of Public Instruction	84.010	41,133,749	
Migrant Education-State Grant Program	Supt. of Public Instruction	84.011	4,207,468	
Title I Program for Neglected and Delinquent Children	Supt. of Public Instruction	84.013	179,762	
Vocational Education-Basic Grants to States	Professional-Tech Educ., Div. of	84.048	6,514,483	
Leveraging Educational Assistance Partnership	Education, State Board of	84.069	150,577	
Vocational Rehabilitation Grants to States	Blind/Visually Impaired, Comm. for	84.126	1,917,187	
Rehabilitation Services-Vocational Rehabilitation Grants to States	Voc-Rehab., Div. of	84.126	14,758,529	
Rehabilitation Services-Service Projects	Voc-Rehab., Div. of	84.128	152,372	
Independent Living-State Grants	Blind/Visually Impaired, Comm. for	84.169	159,160	
Independent Living-State Grants	Voc-Rehab., Div. of	84.169	239,146	
Independent Living Services for Older Individuals Who Are Blind	Blind/Visually Impaired, Comm. for	84.177	300,165	
Special Education-Grants for Infants and Families with Disabilities	Health and Welfare, Dept. of	84.181	2,138,714	
Byrd Honors Scholarships	Education, State Board of	84.185	210,750	
Safe and Drug-Free Schools and Communities-State Grants	Supt. of Public Instruction	84.186	1,650,710	
Supported Employ. Services for Individuals with Severe Disabilities	Blind/Visually Impaired, Comm. for	84.187	3,674	
Supported Employ. Services for Individuals with Severe Disabilities	Voc-Rehab., Div. of	84.187	391,741	
Education for Homeless Children and Youth	Supt. of Public Instruction	84.196	213,171	
Even Start-State Educational Agencies	Supt. of Public Instruction	84.213	1,094,971	
Fund for the Improvement of Education	Supt. of Public Instruction	84.215	1,155,224	
Tech-Prep Education	Professional-Tech Educ., Div. of	84.243	572,055	
State Vocational Rehabilitation Unit In-Service Training	Blind/Visually Impaired, Comm. for	84.265	19,011	
State Vocational Rehabilitation Unit In-Service Training	Voc-Rehab., Div. of	84.265	130,097	
Charter Schools	Supt. of Public Instruction	84.282	2,237,753	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
Twenty-First Century Community Learning Centers	Supt. of Public Instruction	84.287	\$5,018,090	
Ready-to-Learn Television	Public Television, Idaho	84.295	25,740	PT
State Grants for Innovative Programs	Supt. of Public Instruction	84.298	542,515	
Civic Education-Cooperative Education Exchange Program	Supt. of Public Instruction	84.304	94,229	PT
Education Technology State Grants	Supt. of Public Instruction	84.318	1,490,921	
Special Education-State Personnel Development	Supt. of Public Instruction	84.323	507,965	
Advanced Placement Program	Education, State Board of	84.330	53,768	
Grants to States for Incarcerated Youth Offenders	Correction, Department of	84.331	133,573	
Comprehensive School Reform Demonstration	Supt. of Public Instruction	84.332	900,731	
Gaining Early Awareness and Readiness for Undergraduate Programs	Education, State Board of	84.334	106,841	
Gaining Early Awareness and Readiness for Undergraduate Programs	Supt. of Public Instruction	84.334	41,609	
Transition to Teaching	Education, State Board of	84.350	151,608	
Reading First State Grants	Supt. of Public Instruction	84.357	3,367,125	
Rural Education	Supt. of Public Instruction	84.358	9,327	
English Language Acquisition Grants	Education, State Board of	84.365	1,724,335	
English Language Acquisition Grants	Supt. of Public Instruction	84.365	152,915	
Mathematics and Science Partnerships	Supt. of Public Instruction	84.366	29,713	
Improving Teacher Quality State Grants	Education, State Board of	84.367	441,390	
Improving Teacher Quality State Grants	Supt. of Public Instruction	84.367	12,610,432	
Consortium for Alternate Assessment Validity and Experimental Studies	Supt. of Public Instruction	84.368	298,718	
Grants for State Assessments and Related Activities	Education, State Board of	84.369	4,965,996	
TOTAL NON-CLUSTERED PROGRAMS			<u>\$114,872,457</u>	
TOTAL DEPARTMENT OF EDUCATION			<u>\$164,830,064</u>	
NATIONAL ARCHIVES & RECORDS ADMINISTRATION				
National Historic Publications and Records Grants	Historical Society, Idaho State	89.003	\$1,329	
TOTAL NATIONAL ARCHIVES & RECORDS ADMINISTRATION			<u>\$1,329</u>	
HEALTH AND HUMAN SERVICES				
AGING CLUSTER:				
Grants for Supportive Services and Senior Centers	Aging, Commission on	93.044	\$1,978,170	
Nutrition Services	Aging, Commission on	93.045	2,353,582	
Nutrition Services Incentive Program	Aging, Commission on	93.053	681,107	
TOTAL AGING CLUSTER			<u>\$5,012,859</u>	
CCDF CLUSTER:				
Child Care and Development Block Grant	Health and Welfare, Dept. of	93.575	\$7,768,953	
Child Care Mandatory & Matching Funds - Child Care/Develop. Fund	Health and Welfare, Dept. of	93.596	10,295,682	
TOTAL CCDF CLUSTER			<u>\$18,064,635</u>	
MEDICAID CLUSTER:				
State Survey and Certification of Health Care Providers and Suppliers	Health and Welfare, Dept. of	93.777	\$2,480,912	
Medical Assistance Program	Health and Welfare, Dept. of	93.778	783,588,103	
TOTAL MEDICAID CLUSTER			<u>\$786,069,015</u>	
NON-CLUSTERED PROGRAMS:				
Program for Prevention of Elder Abuse, Neglect, and Exploitation	Aging, Commission on	93.041	\$26,506	
Long-term Care Ombudsman Services for Older Individuals	Aging, Commission on	93.042	68,981	
Disease Prevention and Health Promotion Services	Aging, Commission on	93.043	111,361	
Discretionary Projects	Aging, Commission on	93.048	267,957	
Special Programs for the Aging-Discretionary Projects	Health and Welfare, Dept. of	93.048	72,866	
Alzheimer's Disease Demonstration Grants to States	Aging, Commission on	93.051	270,000	
National Family Caregiver Support	Aging, Commission on	93.052	763,512	
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	Health and Welfare, Dept. of	93.104	496,732	
Maternal and Child Health Federal Consolidated Programs	Health and Welfare, Dept. of	93.110	252,046	
Maternal and Child Health Federal Consolidated Programs	Health and Welfare, Dept. of	93.110	13,236	PT
Project Grants and Cooperative Agreements for Tuberculosis Control	Health and Welfare, Dept. of	93.116	185,184	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
Emergency Medical Services for Children	Health and Welfare, Dept. of	93.127	\$84,566	
Primary Care Services Resource Coordination and Development	Health and Welfare, Dept. of	93.130	90,992	
Injury Prevention / Control Research & State/Community Based Prog.	Health and Welfare, Dept. of	93.136	211,624	
AIDS Education and Training Centers	Health and Welfare, Dept. of	93.145	38,620	PT
Projects for Assistance In Transition From Homelessness	Health and Welfare, Dept. of	93.150	360,643	
Family Planning-Services	Health and Welfare, Dept. of	93.217	1,730,125	
Abstinence Education Program	Health and Welfare, Dept. of	93.235	210,209	
State Capacity Building	Health and Welfare, Dept. of	93.240	193,504	
State Rural Hospital Flexibility Program	Health and Welfare, Dept. of	93.241	419,154	
Substance Abuse and Mental Health Services	Health and Welfare, Dept. of	93.243	161,725	
Substance Abuse and Mental Health Services	Judicial Department	93.243	70,938	
Universal Newborn Hearing Screening	Health and Welfare, Dept. of	93.251	122,455	
State Planning Grants Health Care Access for the Uninsured	Health and Welfare, Dept. of	93.256	120,921	
Rural Access to Emergency Devices Grant	Health and Welfare, Dept. of	93.259	179,054	
Immunization Grants	Health and Welfare, Dept. of	93.268	1,981,120	
Immunization Grants	Health and Welfare, Dept. of	93.268	14,870,200	NC
Substance Abuse and Mental Health Services-Access to Recovery	Health and Welfare, Dept. of	93.275	13,391,298	
Centers For Disease Control & Prevention-Investigations & Tech. Assist.	Health and Welfare, Dept. of	93.283	12,164,017	
Small Rural Hospital Improvement Grant Program	Health and Welfare, Dept. of	93.301	188,784	
Minority Health and Health Disparities Research	Hispanic Affairs, Commission on	93.307	10,034	PT
Promoting Safe and Stable Families	Health and Welfare, Dept. of	93.556	1,355,530	
Temporary Assistance For Needy Families	Health and Welfare, Dept. of	93.558	31,502,471	
Child Support Enforcement	Health and Welfare, Dept. of	93.563	17,648,714	
Refugee and Entrant Assistance-State Administered Programs	Health and Welfare, Dept. of	93.566	941,042	
Low-Income Home Energy Assistance	Health and Welfare, Dept. of	93.568	12,859,025	
Community Services Block Grant	Health and Welfare, Dept. of	93.569	3,178,496	
Community Services Block Grant Formula and Discretionary Awards				
Community Food and Nutrition Programs	Health and Welfare, Dept. of	93.571	14,575	
State Court Improvement Program	Judicial Department	93.586	283,074	
State Court Improvement Program	Judicial Department	93.586	13,163	PT
Community-Based Child Abuse Prevention Grants	Health and Welfare, Dept. of	93.590	256,081	
Grants To States For Access and Visitation Programs	Health and Welfare, Dept. of	93.597	90,441	
Chafee Education and Training Vouchers Program	Health and Welfare, Dept. of	93.599	76,342	
Head Start	Health and Welfare, Dept. of	93.600	111,744	
Adoption Incentive Payments	Health and Welfare, Dept. of	93.603	140,506	
Voting Access for Individuals with Disabilities-Grants to States	Secretary of State	93.617	6,841	
Developmental Disabilities Basic Support and Advocacy Grants	Health and Welfare, Dept. of	93.630	466,175	
Children's Justice Grants To States	Health and Welfare, Dept. of	93.643	163,577	
Child Welfare Services-State Grants	Health and Welfare, Dept. of	93.645	1,701,949	
Foster Care Title IV-E	Health and Welfare, Dept. of	93.658	8,293,158	
Adoption Assistance	Health and Welfare, Dept. of	93.659	3,822,083	
Social Services Block Grant	Health and Welfare, Dept. of	93.667	5,864,451	
Child Abuse and Neglect State Grants	Health and Welfare, Dept. of	93.669	140,511	
Child Abuse and Neglect Discretionary Activities	Health and Welfare, Dept. of	93.670	19,160	PT
Family Violence Protection and Services for Battered Women's Shelters	Health and Welfare, Dept. of	93.671	769,901	
Chafee Foster Care Independence Program	Health and Welfare, Dept. of	93.674	484,732	
State Children's Insurance Program	Health and Welfare, Dept. of	93.767	25,953,556	
Ctrs. for Medicare & Medicaid Services Research, Demos. & Evaluations	Health and Welfare, Dept. of	93.779	1,153,502	
Ctrs. for Medicare & Medicaid Services Research, Demos. & Evaluations	Insurance, Department of	93.779	257,279	
National Bioterrorism Hospital Preparedness Program	Health and Welfare, Dept. of	93.889	2,539,962	
Grants To States For Operation of Offices of Rural Health	Health and Welfare, Dept. of	93.913	151,846	
HIV Care Formula Grants	Health and Welfare, Dept. of	93.917	673,964	
Comprehensive School Health Programs to Prevent the Spread of HIV	Supt. of Public Instruction	93.938	199,380	
HIV Prevention Activities-Health Department Based	Health and Welfare, Dept. of	93.940	728,530	
HIV/AIDS Surveillance	Health and Welfare, Dept. of	93.944	60,682	
Trauma Care Systems Planning and Development	Health and Welfare, Dept. of	93.952	3,205	
Block Grants For Community Mental Health Services	Health and Welfare, Dept. of	93.958	1,790,586	
Block Grants For Prevention and Treatment of Substance Abuse	Health and Welfare, Dept. of	93.959	6,775,575	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR AGENCY PROGRAM OR CLUSTER TITLE	STATE AGENCY	CFDA	AMOUNT	TYPE*
Preventive Health Services-Sexually Transmitted Diseases Control Grants	Health and Welfare, Dept. of	93.977	\$451,782	
Diabetes Control Programs and Evaluation of Surveillance Systems	Health and Welfare, Dept. of	93.988	327,981	
Preventive Health and Health Services Block Grant	Health and Welfare, Dept. of	93.991	123,277	
Maternal and Child Health Services Block Grant to the States	Health and Welfare, Dept. of	93.994	2,721,216	
Clinical Laboratory Improvement Amendments	Health and Welfare, Dept. of	93.999	136,456	
Drug Alcohol Information	Health and Welfare, Dept. of	93.999	21,587	
Food Sanitation Inspection	Health and Welfare, Dept. of	93.999	10,337	
Mammography Quality	Health and Welfare, Dept. of	93.999	40,314	
Office of Minority Health	Health and Welfare, Dept. of	93.999	70,765	PT
State EPI Outcomes	Health and Welfare, Dept. of	93.999	165,393	
Vital Statistics Grants	Health and Welfare, Dept. of	93.999	155,333	
TOTAL NON-CLUSTERED PROGRAMS			<u>\$183,844,614</u>	
TOTAL HEALTH AND HUMAN SERVICES			<u>\$992,991,123</u>	
CORPORATION FOR NAT. COMMUNITY SERVICE				
State Commissions	Correction, Department of	94.003	\$66,574	
Learn and Serve America-School and Community Based Programs	Correction, Department of	94.004	79,235	
Learn and Serve America-School and Community Based Programs	Supt. of Public Instruction	94.004	168,163	
AmeriCorps	Correction, Department of	94.006	1,271,059	
Training and Technical Assistance	Correction, Department of	94.009	74,479	
Volunteers in Service to America	Supt. of Public Instruction	94.013	68,293	
TOTAL CORPORATION FOR NAT. COMMUNITY SERVICE			<u>\$1,727,803</u>	
SOCIAL SECURITY ADMINISTRATION				
DISABILITY INSURANCE/SSI CLUSTER:				
Social Security-Disability Insurance	Commerce and Labor, Dept. of	96.001	\$6,658,393	
TOTAL DISABILITY INSURANCE/SSI CLUSTER			<u>\$6,658,393</u>	
NON-CLUSTERED PROGRAMS:				
Social Security Birth and Death Reports	Health and Welfare, Dept. of	96.999	\$59,433	
TOTAL NON-CLUSTERED PROGRAM			<u>\$59,433</u>	
TOTAL SOCIAL SECURITY ADMINISTRATION			<u>\$6,717,826</u>	
DEPARTMENT OF HOMELAND SECURITY				
HOMELAND SECURITY CLUSTER:				
State Domestic Preparedness Equipment Support Program	Military, Division of	97.004	\$2,802,077	
Homeland Security Grant Program	Military, Division of	97.067	4,719,084	
TOTAL HOMELAND SECURITY CLUSTER			<u>\$7,521,161</u>	
NON-CLUSTERED PROGRAMS:				
Boating Safety Financial Assistance	Parks and Recreation, Dept. of	97.012	\$1,009,178	
Pre-Disaster Mitigation Competitive Grants	Military, Division of	97.017	322,294	
Community Assistance Program State Support Services Element	Water Resources, Dept. of	97.023	79,710	
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Military, Division of	97.036	1,009,971	
National Dam Safety Program	Water Resources, Dept. of	97.041	17,284	
Emergency Management Performance Grants	Military, Division of	97.042	1,350,946	
State Fire Training Systems Grants	Professional-Tech Educ., Div. of	97.043	30,560	
Map Modernization Management Support	Water Resources, Dept. of	97.070	102,939	
TOTAL NON-CLUSTERED PROGRAMS			<u>\$3,922,882</u>	
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>\$11,444,043</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$1,962,539,248</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**SUPPLEMENTARY SCHEDULE
OF
EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY**

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
ADMINISTRATION, DEPARTMENT OF				
U.S. Geological Survey-Research and Data Collection	Department of the Interior	15.808	\$13,511	
Donation of Federal Surplus Personal Property	General Services Admin.	39.003	1,184,918	NC
TOTAL ADMINISTRATION, DEPARTMENT OF			<u>\$1,198,429</u>	
AGING, COMMISSION ON				
Senior Community Service Employment Program	Department of Labor	17.235	\$426,385	
Program for Prevention of Elder Abuse, Neglect & Exploitation	Health and Human Services	93.041	26,506	
Long-term Care Ombudsman Services for Older Individuals	Health and Human Services	93.042	68,981	
Disease Prevention and Health Promotion Services	Health and Human Services	93.043	111,361	
Grants for Supportive Services and Senior Centers	Health and Human Services	93.044	1,978,170	
Nutrition Services	Health and Human Services	93.045	2,353,582	
Discretionary Projects	Health and Human Services	93.048	267,957	
Alzheimer's Disease Demonstration Grants to States	Health and Human Services	93.051	270,000	
National Family Caregiver Support	Health and Human Services	93.052	763,512	
Nutrition Services Incentive Program	Health and Human Services	93.053	681,107	
TOTAL AGING, COMMISSION ON			<u>\$6,947,561</u>	
AGRICULTURE, DEPARTMENT OF				
Plant and Animal Disease, Pest Control, and Animal Care	Department of Agriculture	10.025	\$2,850,550	
Federal-State Marketing Improvement Program	Department of Agriculture	10.156	26,274	
Inspection Grading and Standardization	Department of Agriculture	10.162	25,466	
Market Protection and Promotion	Department of Agriculture	10.163	61,196	
Specialty Crop Block Grant Program	Department of Agriculture	10.169	78,820	
Homeland Security-Agricultural	Department of Agriculture	10.304	9,495	PT
Technical Assistance for Specialty Crops	Department of Agriculture	10.604	6,327	
Cooperative Forestry Assistance	Department of Agriculture	10.664	338,726	
Soil Survey	Department of Agriculture	10.903	15,174	
Watershed Surveys and Planning	Department of Agriculture	10.906	81,915	
Cooperative Endangered Species Conservation Fund	Department of the Interior	15.615	3,124	
Landowner Incentive	Department of the Interior	15.633	1,277	
Rangeland Management	Department of the Interior	15.999	894,852	
Regional Wetland Program Development Grants	Environ. Protection Agency	66.461	27,152	
Consolidated Pesticide Enforcement Cooperative Agreements	Environ. Protection Agency	66.700	384,084	
Columbia Fish and Wildlife Program	Department of Energy	81.999	110,352	
TOTAL AGRICULTURE, DEPARTMENT OF			<u>\$4,914,784</u>	
ARTS, COMMISSION ON THE				
Promotion of the Arts-Partnership Agreements	Natl. Foundation-Arts & Humanities	45.025	\$490,869	
TOTAL ARTS, COMMISSION ON THE			<u>\$490,869</u>	
BLIND AND VISUALLY IMPAIRED, COMMISSION FOR				
Vocational Rehabilitation Grants to States	Department of Education	84.126	\$1,917,187	
Independent Living-State Grants	Department of Education	84.169	159,160	
Independent Living Svcs. for Older Individuals Who Are Blind	Department of Education	84.177	300,165	
Supported Employ. Svcs. for Individuals w/Severe Disabilities	Department of Education	84.187	3,674	
State Vocational Rehabilitation Unit In-Service Training	Department of Education	84.265	19,011	
TOTAL BLIND AND VISUALLY IMPAIRED, COMMISSION FOR			<u>\$2,399,197</u>	
BUILDING SAFETY, DIVISION OF				
Manufactured Home Construction and Safety Standards	Dept. of Housing & Urban Develop.	14.171	\$53,500	
TOTAL BUILDING SAFETY, DIVISION OF			<u>\$53,500</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
COMMERCE AND LABOR, DEPARTMENT OF				
Rural Development, Forestry, and Communities	Department of Agriculture	10.672	\$20,420	
Procurement Technical Assistance for Business Firms	Department of Defense	12.002	233,798	
Community Development Block Grants/State's Program	Dept. of Housing & Urban Develop.	14.228	9,940,123	
Labor Force Statistics	Department of Labor	17.002	663,989	
Employment Service/Wagner-Peyser Funded Activities	Department of Labor	17.207	7,257,815	
Unemployment Insurance	Department of Labor	17.225	126,679,760	
Senior Community Service Employment Program	Department of Labor	17.235	290,615	
Trade Adjustment Assistance	Department of Labor	17.245	2,714,303	
WIA Adult Program	Department of Labor	17.258	2,971,206	
WIA Youth Activities	Department of Labor	17.259	2,321,521	
WIA Dislocated Workers	Department of Labor	17.260	3,353,844	
WIA Pilots, Demonstrations, and Research Projects	Department of Labor	17.261	355,891	
Temporary Labor Certification for Foreign Workers	Department of Labor	17.273	71,453	
Disabled Veterans' Outreach Program	Department of Labor	17.801	336,734	
Local Veterans' Employment Representative Program	Department of Labor	17.804	413,313	
Social Security-Disability Insurance	Social Security Administration	96.001	6,658,393	
TOTAL COMMERCE AND LABOR, DEPARTMENT OF			<u>\$164,283,178</u>	
CORRECTION, DEPARTMENT OF				
Edward Byrne Memorial Formula Grant Program	Department of Justice	16.579	\$257,103	
State Criminal Alien Assistance Program	Department of Justice	16.606	127,432	
Regional Information Sharing Systems	Department of Justice	16.610	1,386	
Public Safety Partnership and Community Policing Grants	Department of Justice	16.710	14,752	
Protecting Inmates & Safeguarding Communities Discret. Grant	Department of Justice	16.735	212,732	
Statewide Automated Victim Information Notification	Department of Justice	16.740	344,565	
Grants to States for Incarcerated Youth Offenders	Department of Education	84.331	133,573	
State Commissions	Corp. for Natl. & Community Svc.	94.003	66,574	
Learn and Serve America-School and Community Based Prog.	Corp. for Natl. & Community Svc.	94.004	79,235	
AmeriCorps	Corp. for Natl. & Community Svc.	94.006	1,271,059	
Training and Technical Assistance	Corp. for Natl. & Community Svc.	94.009	74,479	
TOTAL CORRECTION, DEPARTMENT OF			<u>\$2,582,890</u>	
EDUCATION, STATE BOARD OF				
Leveraging Educational Assistance Partnership	Department of Education	84.069	\$150,577	
Byrd Honors Scholarships	Department of Education	84.185	210,750	
Advanced Placement Program	Department of Education	84.330	53,768	
Gaining Early Awareness & Readiness for Undergraduate Prog.	Department of Education	84.334	106,841	
Transition to Teaching	Department of Education	84.350	151,608	
English Language Acquisition Grants	Department of Education	84.365	1,724,335	
Improving Teacher Quality State Grants	Department of Education	84.367	441,390	
Grants for State Assessments and Related Activities	Department of Education	84.369	4,965,996	
TOTAL EDUCATION, STATE BOARD OF			<u>\$7,805,265</u>	
ENVIRONMENTAL QUALITY, DEPARTMENT OF				
Agreement Program for the Reimbursement of Tech. Services	Department of Defense	12.113	\$106,484	
Cultural Resource Management	Department of the Interior	15.224	57,000	
Hazards/Hazmat	Department of the Interior	15.999	47,501	
Air Pollution Control Program Support	Environ. Protection Agency	66.001	1,342,799	
Air Pollution Control Program Support	Environ. Protection Agency	66.001	78,000	NC
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Related to the Clean Air Act	Environ. Protection Agency	66.034	565,483	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Related to the Clean Air Act	Environ. Protection Agency	66.034	\$137,360	NC
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Related to the Clean Air Act	Environ. Protection Agency	66.034	8,044	PT
Congressionally Mandated Projects	Environ. Protection Agency	66.202	931,336	
Congressionally Mandated Projects	Environ. Protection Agency	66.202	3,195	PT
Water Pollution Control State, Interstate & Tribal Program Support	Environ. Protection Agency	66.419	1,674,464	
State Public Water System Supervision	Environ. Protection Agency	66.432	1,067,620	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements-Clean Water Act	Environ. Protection Agency	66.436	75,526	
Water Quality Management Planning	Environ. Protection Agency	66.454	104,966	
Capitalization Grants for Clean Water State Revolving Funds	Environ. Protection Agency	66.458	4,085,589	
Nonpoint Source Implementation Grants	Environ. Protection Agency	66.460	2,613,624	
Water Quality Cooperative Agreements	Environ. Protection Agency	66.463	71,801	
Capitalization Grants for Drinking Water State Revolving Funds	Environ. Protection Agency	66.468	11,233,167	
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Environ. Protection Agency	66.471	207,858	
Water Protection Grants to the States	Environ. Protection Agency	66.474	56,448	
Environ. Protection-Consolidated Research	Environ. Protection Agency	66.500	21,616	
Environ. Information Exchange Network Grant Program	Environ. Protection Agency	66.608	90,646	
Pollution Prevention Grants Program	Environ. Protection Agency	66.708	96,376	
Hazardous Waste Management State Program Support	Environ. Protection Agency	66.801	399,778	
Superfund State, Political Subdivision, and Indian Tribe Site	Environ. Protection Agency	66.802	14,675,978	
State and Tribal Underground Storage Tanks Program	Environ. Protection Agency	66.804	209,667	
Leaking Underground Storage Tank Trust Fund Program	Environ. Protection Agency	66.805	423,697	
Solid Waste Management Assistance Grants	Environ. Protection Agency	66.808	15,075	
Solid Waste Management Assistance Grants	Environ. Protection Agency	66.808	9,503	PT
Superfund State & Indian Tribe Core Program Coop. Agreements	Environ. Protection Agency	66.809	169,076	
State and Tribal Response Program Grants	Environ. Protection Agency	66.817	1,050,963	
State and Tribal Response Program Grants	Environ. Protection Agency	66.817	6,831	PT
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant	Department of Energy	81.106	347,050	PT
Idaho National Laboratory Oversight	Department of Energy	81.502	3,051,927	
TOTAL ENVIRONMENTAL QUALITY, DEPARTMENT OF			\$45,036,448	
FISH AND GAME, DEPARTMENT OF				
Wildlife Services	Department of Agriculture	10.028	\$45,101	
Miscellaneous Forest Service Grants	Department of Agriculture	10.999	929,939	
Miscellaneous Animal and Plant Health Inspection Service Grants	Department of Agriculture	10.999	80,749	
Miscellaneous Natural Resources Conservation Service Grants	Department of Agriculture	10.999	17,022	
Interjurisdictional Fisheries Act of 1986	Department of Commerce	11.407	6,564	
Columbia River Fisheries Development Program	Department of Commerce	11.436	1,164,503	
Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program	Department of Commerce	11.438	361,148	
Regional Fishery Management Councils	Department of Commerce	11.441	17,260	
Habitat Conservation	Department of Commerce	11.463	17,220	
Miscellaneous NOAA Grants	Department of Commerce	11.999	712,259	
Miscellaneous Army Corps of Engineers Grants	Department of Defense	12.999	78,788	
Fish, Wildlife, and Plant Conservation Resource Management	Department of the Interior	15.231	292,353	
Sport Fish Restoration	Department of the Interior	15.605	5,095,650	
Fish and Wildlife Management Assistance	Department of the Interior	15.608	530,380	
Wildlife Restoration	Department of the Interior	15.611	4,531,796	
Cooperative Endangered Species Conservation Fund	Department of the Interior	15.615	231,679	
Wildlife Conservation and Restoration	Department of the Interior	15.625	18,523	
Landowner Incentive	Department of the Interior	15.633	156,093	
State Wildlife Grants	Department of the Interior	15.634	582,829	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
Migratory Bird Conservation	Department of the Interior	15.647	\$4,977	
Miscellaneous Fish and Wildlife Service Grants	Department of the Interior	15.999	4,472,969	
Miscellaneous Bureau of Reclamation Grants	Department of the Interior	15.999	583,523	
Miscellaneous Bureau of Land Management Grants	Department of the Interior	15.999	21,491	
Regional Wetland Program Development Grants	Environ. Protection Agency	66.461	109,090	
Miscellaneous Bonneville Power Grants	Department of Energy	81.999	6,848,453	
TOTAL FISH AND GAME, DEPARTMENT OF			\$26,910,359	
HEALTH AND WELFARE, DEPARTMENT OF				
Food Stamps	Department of Agriculture	10.551	\$96,132,025	NC
Supplemental Nutrition for Women, Infants, and Children (WIC)	Department of Agriculture	10.557	20,648,559	
Child and Adult Care Food Program	Department of Agriculture	10.558	14,529	
State Administrative Matching Grants for Food Stamp Program	Department of Agriculture	10.561	10,814,515	
Emergency Food Assistance Program (Administrative Costs)	Department of Agriculture	10.568	223,855	
Emergency Food Assistance Program (Food Commodities)	Department of Agriculture	10.569	756,439	NC
Crime Victim Assistance	Department of Justice	16.575	1,472,845	
State Indoor Radon Grants	Environ. Protection Agency	66.032	62,720	
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environ. Protection Agency	66.034	4,976	
Protection of Children & Older Adults from Environ. Health Risks	Environ. Protection Agency	66.609	13,552	
Environmental Education Grants	Environ. Protection Agency	66.951	4,295	
Weatherization Assistance for Low-Income Persons	Department of Energy	81.042	1,782,117	
Weatherization Conference	Department of Energy	81.999	316,157	
Special Education-Grants for Infants and Families w/Disabilities	Department of Education	84.181	2,138,714	
Special Programs for the Aging-Discretionary Projects	Health and Human Services	93.048	72,866	
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	Health and Human Services	93.104	496,732	
Maternal and Child Health Federal Consolidated Programs	Health and Human Services	93.110	252,046	
Maternal and Child Health Federal Consolidated Programs	Health and Human Services	93.110	13,236	PT
Project Grants & Cooperative Agreements for Tuberculosis Control	Health and Human Services	93.116	185,184	
Emergency Medical Services for Children	Health and Human Services	93.127	84,566	
Primary Care Services Resource Coordination and Development	Health and Human Services	93.130	90,992	
Injury Prevention, Control Research, State & Comm. Based Prog.	Health and Human Services	93.136	211,624	
AIDS Education and Training Centers	Health and Human Services	93.145	38,620	PT
Projects for Assistance In Transition From Homelessness	Health and Human Services	93.150	360,643	
Family Planning-Services	Health and Human Services	93.217	1,730,125	
Abstinence Education Program	Health and Human Services	93.235	210,209	
State Capacity Building	Health and Human Services	93.240	193,504	
State Rural Hospital Flexibility Program	Health and Human Services	93.241	419,154	
Substance Abuse and Mental Health Services	Health and Human Services	93.243	161,725	
Universal Newborn Hearing Screening	Health and Human Services	93.251	122,455	
State Planning Grants Health Care Access for the Uninsured	Health and Human Services	93.256	120,921	
Rural Access to Emergency Devices Grant	Health and Human Services	93.259	179,054	
Immunization Grants	Health and Human Services	93.268	1,981,120	
Immunization Grants	Health and Human Services	93.268	14,870,200	NC
Substance Abuse and Mental Health Services-Access to Recovery	Health and Human Services	93.275	13,391,298	
Ctrs. for Disease Control, Prevention-Investigations & Tech. Assist.	Health and Human Services	93.283	12,164,017	
Small Rural Hospital Improvement Grant Program	Health and Human Services	93.301	188,784	
Promoting Safe and Stable Families	Health and Human Services	93.556	1,355,530	
Temporary Assistance For Needy Families	Health and Human Services	93.558	31,502,471	
Child Support Enforcement	Health and Human Services	93.563	17,648,714	
Refugee and Entrant Assistance-State Administered Programs	Health and Human Services	93.566	941,042	
Low-Income Home Energy Assistance	Health and Human Services	93.568	12,859,025	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
Community Services Block Grant	Health and Human Services	93.569	\$3,178,496	
Community Services Block Grant Formula & Discretionary				
Awards-Community Food and Nutrition Programs	Health and Human Services	93.571	14,575	
Child Care and Development Block Grant	Health and Human Services	93.575	7,768,953	
Community-Based Child Abuse Prevention Grants	Health and Human Services	93.590	256,081	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	93.596	10,295,682	
Grants to States for Access and Visitation Program	Health and Human Services	93.597	90,441	
Chafee Education and Training Vouchers Program	Health and Human Services	93.599	76,342	
Head Start	Health and Human Services	93.600	111,744	
Adoption Incentive Payments	Health and Human Services	93.603	140,506	
Developmental Disabilities Basic Support and Advocacy Grants	Health and Human Services	93.630	466,175	
Children's Justice Grants To States	Health and Human Services	93.643	163,577	
Child Welfare Services-State Grants	Health and Human Services	93.645	1,701,949	
Foster Care Title IV-E	Health and Human Services	93.658	8,293,158	
Adoption Assistance	Health and Human Services	93.659	3,822,083	
Social Services Block Grant	Health and Human Services	93.667	5,864,451	
Child Abuse and Neglect State Grants	Health and Human Services	93.669	140,511	
Child Abuse and Neglect Discretionary Activities	Health and Human Services	93.670	19,160	PT
Family Violence Protection & Services-Battered Women's Shelters	Health and Human Services	93.671	769,901	
Chafee Foster Care Independence Program	Health and Human Services	93.674	484,732	
State Children's Insurance Program	Health and Human Services	93.767	25,953,556	
State Survey & Certification of Health Care Providers/Suppliers	Health and Human Services	93.777	2,480,912	
Medical Assistance Program	Health and Human Services	93.778	783,588,103	
Ctrs. for Medicare & Medicaid Svcs. Research, Demos. & Eval.	Health and Human Services	93.779	1,153,502	
National Bioterrorism Hospital Preparedness Program	Health and Human Services	93.889	2,539,962	
Grants To States For Operation of Offices of Rural Health	Health and Human Services	93.913	151,846	
HIV Care Formula Grants	Health and Human Services	93.917	673,964	
HIV Prevention Activities-Health Department Based	Health and Human Services	93.940	728,530	
HIV/AIDS Surveillance	Health and Human Services	93.944	60,682	
Trauma Care Systems Planning and Development	Health and Human Services	93.952	3,205	
Block Grants For Community Mental Health Services	Health and Human Services	93.958	1,790,586	
Block Grants For Prevention and Treatment of Substance Abuse	Health and Human Services	93.959	6,775,575	
Preventive Health Svcs-Sexually Trans. Diseases Control Grants	Health and Human Services	93.977	451,782	
Diabetes Control Programs and Evaluation of Surveillance Systems	Health and Human Services	93.988	327,981	
Preventive Health and Health Services Block Grant	Health and Human Services	93.991	123,277	
Maternal and Child Health Services Block Grant to the States	Health and Human Services	93.994	2,721,216	
Clinical Laboratory Improvement Amendments	Health and Human Services	93.999	136,456	
Drug Alcohol Information	Health and Human Services	93.999	21,587	
Food Sanitation Inspection	Health and Human Services	93.999	10,337	
Mammography Quality	Health and Human Services	93.999	40,314	
Office of Minority Health	Health and Human Services	93.999	70,765	PT
State EPI Outcomes	Health and Human Services	93.999	165,393	
Vital Statistics Grants	Health and Human Services	93.999	155,333	
Social Security Birth and Death Reports	Social Security Administration	96.999	59,433	
TOTAL HEALTH AND WELFARE, DEPARTMENT OF			<u>\$1,120,073,969</u>	
HISPANIC AFFAIRS, COMMISSION ON				
Minority Health and Health Disparities Research	Health and Human Services	93.307	\$10,034	PT
TOTAL HISPANIC AFFAIRS, COMMISSION ON			<u>\$10,034</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
HISTORICAL SOCIETY, IDAHO STATE				
CDBG/Brownfields Economic Develop. Initiative	Dept. of Housing & Urban Develop.	14.246	\$26,634	PT
Cultural Resource Management	Department of the Interior	15.224	6,042	
Historic Preservation Fund Grants-in-Aid	Department of the Interior	15.904	538,219	
Archaeology Month	Department of the Interior	15.999	6,893	
Cost Share Lewis and Clark	Department of the Interior	15.999	10,676	
Cost Share Lewis and Clark	Department of the Interior	15.999	1,250	PT
Management Data Sharing	Department of the Interior	15.999	14,471	
Miscellaneous Department of the Interior Grants	Department of the Interior	15.999	698	
Promotion of the Humanities	Natl. Foundation-Arts & Humanities	45.129	2,786	PT
National Historic Publications and Records Grants	Natl. Archives & Records Admin.	89.003	1,329	
TOTAL HISTORICAL SOCIETY, IDAHO STATE			<u>\$608,998</u>	
HUMAN RIGHTS, COMMISSION ON				
Employ. Discrimination-Fair Employment Practices Contracts	Equal Employ. Oppor. Comm.	30.002	\$206,439	
TOTAL HUMAN RIGHTS, COMMISSION ON			<u>\$206,439</u>	
INDUSTRIAL COMMISSION				
Crime Victim Compensation	Department of Justice	16.576	\$833,860	
Compensation and Working Conditions	Department of Labor	17.005	3,924	
TOTAL INDUSTRIAL COMMISSION			<u>\$837,784</u>	
INSURANCE, DEPARTMENT OF				
Ctrs. for Medicare & Medicaid Svcs. Research, Demos. & Eval.	Health and Human Services	93.779	\$257,279	
TOTAL INSURANCE, DEPARTMENT OF			<u>\$257,279</u>	
JUDICIAL DEPARTMENT				
E. Byrne Memorial Law Enforce. Assist. Discretionary Grants	Department of Justice	16.580	(\$6)	PT
Grants to Encourage Arrest Policies & Enforce. of Protection Orders	Department of Justice	16.590	216,625	
Strengthening Abuse and Neglect Courts in America	Department of Justice	16.999	29,494	
Substance Abuse and Mental Health Services	Health and Human Services	93.243	70,938	
State Court Improvement Program	Health and Human Services	93.586	283,074	
State Court Improvement Program	Health and Human Services	93.586	13,163	PT
TOTAL JUDICIAL DEPARTMENT			<u>\$613,288</u>	
JUVENILE CORRECTIONS, DEPARTMENT OF				
Prisoner Reentry Initiative Demonstration	Department of Justice	16.202	\$117,186	
Juvenile Accountability Incentive Block Grants	Department of Justice	16.523	497,382	
Juvenile Justice and Delinquency Prevention-Allocation to States	Department of Justice	16.540	455,325	
Title V Delinquency Prevention Program	Department of Justice	16.548	30,281	
Part E State Challenge Activities	Department of Justice	16.549	30,101	
Enforcing Underage Drinking Laws Program	Department of Justice	16.727	380,765	
TOTAL JUVENILE CORRECTIONS, DEPARTMENT OF			<u>\$1,511,040</u>	
LANDS, DEPARTMENT OF				
Plant and Animal Disease, Pest Control, and Animal Care	Department of Agriculture	10.025	\$106,688	
Cooperative Forestry Assistance	Department of Agriculture	10.664	4,057,256	
Rural Development, Forestry, and Communities	Department of Agriculture	10.672	455,297	
Forest Legacy Program	Department of Agriculture	10.676	718,281	
Forest Land Enhancement Program	Department of Agriculture	10.677	7,008	
Environ. Quality Incentives Program	Department of Agriculture	10.912	21,389	
Natl. Fire Plan-Wildland Urban Interface Comm. Fire Assistance	Department of the Interior	15.228	180,038	
Partners for Fish and Wildlife	Department of the Interior	15.631	3,606	
TOTAL LANDS, DEPARTMENT OF			<u>\$5,549,563</u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
LIBRARIES, IDAHO COMMISSION FOR				
CDBG/Brownfields Economic Development Initiative	Dept. of Housing & Urban Develop.	14.246	\$4,507	PT
Promotion of the Humanities	Natl. Found.-Arts & Humanities	45.129	700	PT
Grants to States	Natl. Found.-Arts & Humanities	45.310	999,217	
TOTAL LIBRARIES, IDAHO COMMISSION FOR			<u>\$1,004,424</u>	
MILITARY, DIVISION OF				
National Guard Military Operations and Maintenance Projects	Department of Defense	12.401	\$18,955,285	
Interagency Hazardous Materials Public Sector Training and Planning Grants	Department of Transportation	20.703	80,900	
State Domestic Preparedness Equipment Support Program	Department of Homeland Security	97.004	2,802,077	
Pre-Disaster Mitigation Competitive Grants	Department of Homeland Security	97.017	322,294	
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Department of Homeland Security	97.036	1,009,971	
Emergency Management Performance Grants	Department of Homeland Security	97.042	1,350,946	
Homeland Security Grant Program	Department of Homeland Security	97.067	4,719,084	
TOTAL MILITARY, DIVISION OF			<u>\$29,240,557</u>	
PARKS AND RECREATION, DEPARTMENT OF				
Secure Rural Schools & Community Self-Determination Recreation Initiative	Department of Agriculture	10.999	\$1,095	
Harriman State Park Restoration	Department of Agriculture	10.999	30,098	
Glade Creek	Department of Agriculture	10.999	37,041	
Clean Vessel Act	Department of Agriculture	10.999	4,000	
Outdoor Recreation-Acquisition, Development, & Planning	Department of the Interior	15.616	13,770	
Lake Walcott Projects	Department of the Interior	15.916	1,113,601	
City of Rocks National Parks Service	Department of the Interior	15.999	95,334	
Lake Cascade Park Accessibility	Department of the Interior	15.999	428,976	
Cascade Reservoir	Department of the Interior	15.999	32,307	
Recreation Initiative	Department of the Interior	15.999	171,801	
Miscellaneous Department of the Interior Grants	Department of the Interior	15.999	86,633	
Recreation Trails Program	Department of the Interior	15.999	540	
Brownfields Assessment and Clean-up Coop. Agreements	Department of Transportation	20.219	1,157,972	
Boating Safety Financial Assistance	Environ. Protection Agency	66.818	102,503	
TOTAL PARKS AND RECREATION, DEPARTMENT OF	Department of Homeland Security	97.012	<u>1,009,178</u>	
			<u>\$4,284,849</u>	
PHARMACY, BOARD OF				
E. Byrne Memorial Law Enforce. Assistance Discretionary Grants	Department of Justice	16.580	\$75,467	
TOTAL PHARMACY, BOARD OF			<u>\$75,467</u>	
POLICE, IDAHO STATE				
Marijuana Eradication Forest Service Grants	Department of Agriculture	10.999	\$11,817	
Combined DNA Index System	Department of Justice	16.307	321,797	
State Justice Statistics Program for Statistical Analysis Centers	Department of Justice	16.550	62,685	
National Criminal History Improvement Program	Department of Justice	16.554	91,038	
National Forensic Science Improvement	Department of Justice	16.560	157,025	
Edward Byrne Memorial Formula Grant Program	Department of Justice	16.579	664,756	
Violence Against Women Formula Grants	Department of Justice	16.588	877,095	
Local Law Enforcement Block Grant Program	Department of Justice	16.592	36,632	
Residential Substance Abuse Treatment for State Prisoners	Department of Justice	16.593	147,046	
Community Prosecution and Project Safe Neighborhoods	Department of Justice	16.609	156,808	
Public Safety Partnership and Community Policing Grants	Department of Justice	16.710	519,053	
Edward Byrne Memorial Justice Assistance Grant Program	Department of Justice	16.738	1,595,218	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
Forensic Casework DNA Backlog Reduction Program	Department of Justice	16.743	\$17,162	
Anti-Gang Initiative	Department of Justice	16.744	77,808	
Marijuana Eradication Drug Enforcement Administration	Department of Justice	16.999	22,112	
Miscellaneous Department of Justice Grants	Department of Justice	16.999	(1,124)	
Organized Crime and Drug Task Force	Department of Justice	16.999	2,012	
National Motor Carrier Safety	Department of Transportation	20.218	2,362,653	
Safety Data Improvement Program	Department of Transportation	20.234	109	
Equitable Sharing for Law Enforcement Agencies	Department of the Treasury	21.999	369,843	
TOTAL POLICE, IDAHO STATE			<u>\$7,491,545</u>	
PROFESSIONAL-TECHNICAL EDUCATION, DIVISION OF				
Vocational Education-Basic Grants to States	Department of Education	84.048	\$6,514,483	
Tech-Prep Education	Department of Education	84.243	572,055	
State Fire Training Systems Grants	Department of Homeland Security	97.043	30,560	
TOTAL PROFESSIONAL-TECHNICAL EDUCATION, DIV. OF			<u>\$7,117,098</u>	
PUBLIC TELEVISION, IDAHO				
Public Television Station Digital Transition Grant Program	Department of Agriculture	10.861	\$378,799	
Public Telecomm. Facilities Planning and Construction	Department of Commerce	11.550	122,438	
Ready-to-Learn Television	Department of Education	84.295	25,740	PT
TOTAL PUBLIC TELEVISION, IDAHO			<u>\$526,977</u>	
PUBLIC UTILITIES COMMISSION				
Pipeline Safety	Department of Transportation	20.700	\$65,949	
TOTAL PUBLIC UTILITIES COMMISSION			<u>\$65,949</u>	
SECRETARY OF STATE				
Election Reform	General Services Admin.	39.999	\$5,885,412	
Voting Access for Individuals with Disabilities-Grants to States	Health and Human Services	93.617	6,841	
TOTAL SECRETARY OF STATE			<u>\$5,892,253</u>	
SPECIES CONSERVATION, OFFICE OF				
Cost Share Agreement	Department of Agriculture	10.999	\$18,399	
Public Law 106-393 Project	Department of Agriculture	10.999	6,000	
Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program	Department of Commerce	11.438	2,129,979	
Fish and Wildlife Management Assistance	Department of the Interior	15.608	429,614	
Cooperative Endangered Species Conservation Fund	Department of the Interior	15.615	1,009,198	
TOTAL SPECIES CONSERVATION, OFFICE OF			<u>\$3,593,190</u>	
SUPERINTENDENT OF PUBLIC INSTRUCTION				
Food Donation	Department of Agriculture	10.550	\$4,233,712	NC
School Breakfast Program	Department of Agriculture	10.553	11,552,845	
National School Lunch Program	Department of Agriculture	10.555	34,862,537	
Special Milk Program for Children	Department of Agriculture	10.556	183,573	
Child and Adult Care Food Program	Department of Agriculture	10.558	5,593,352	
Summer Food Service Program for Children	Department of Agriculture	10.559	2,868,887	
State Administrative Expenses for Child Nutrition	Department of Agriculture	10.560	634,843	
Team Nutrition Grants	Department of Agriculture	10.574	212,138	
Child Nutrition Discretionary Grants Limited Availability	Department of Agriculture	10.579	89,688	
Fresh Fruit and Vegetable Program	Department of Agriculture	10.582	495,351	
Indian Education-Assistance to Schools	Department of the Interior	15.130	1,900	
Miscellaneous Veteran's Affairs Grants	Department of Veterans Affairs	64.999	146,401	
Adult Education-State Grant Program	Department of Education	84.002	2,674,447	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
Title I Grants to Local Educational Agencies	Department of Education	84.010	\$41,133,749	
Migrant Education-State Grant Program	Department of Education	84.011	4,207,468	
Title I Program for Neglected and Delinquent Children	Department of Education	84.013	179,762	
Special Education-Grants to States	Department of Education	84.027	47,823,177	
Special Education-Preschool Grants	Department of Education	84.173	2,134,430	
Safe and Drug-Free Schools and Communities-State Grants	Department of Education	84.186	1,650,710	
Education for Homeless Children and Youth	Department of Education	84.196	213,171	
Even Start-State Educational Agencies	Department of Education	84.213	1,094,971	
Fund for the Improvement of Education	Department of Education	84.215	1,155,224	
Charter Schools	Department of Education	84.282	2,237,753	
Twenty-First Century Community Learning Centers	Department of Education	84.287	5,018,090	
State Grants for Innovative Programs	Department of Education	84.298	542,515	
Civic Education-Cooperative Education Exchange Program	Department of Education	84.304	94,229	PT
Education Technology State Grants	Department of Education	84.318	1,490,921	
Special Education-State Personnel Development	Department of Education	84.323	507,965	
Comprehensive School Reform Demonstration	Department of Education	84.332	900,731	
Gaining Early Awareness & Readiness for Undergraduate Programs	Department of Education	84.334	41,609	
Reading First State Grants	Department of Education	84.357	3,367,125	
Rural Education	Department of Education	84.358	9,327	
English Language Acquisition Grants	Department of Education	84.365	152,915	
Mathematics and Science Partnerships	Department of Education	84.366	29,713	
Improving Teacher Quality State Grants	Department of Education	84.367	12,610,432	
Consortium for Alternate Assess. Validity & Experimental Studies	Department of Education	84.368	298,718	
Comprehensive School Health Prog. to Prevent the Spread of HIV	Health and Human Services	93.938	199,380	
Learn and Serve America-School and Community Based Prog.	Corp. for Natl. & Community Svc.	94.004	168,163	
Volunteers in Service to America	Corp. for Natl. & Community Svc.	94.013	68,293	
TOTAL SUPERINTENDENT OF PUBLIC INSTRUCTION			\$190,880,215	
TRANSPORTATION DEPARTMENT, IDAHO				
Airport Improvement Program	Department of Transportation	20.106	\$32,998	
Highway Planning and Construction	Department of Transportation	20.205	288,431,580	
Federal Transit-Capital Investment Grants	Department of Transportation	20.500	91,451	
Formula Grants for Other Than Urbanized Areas	Department of Transportation	20.509	4,510,722	
Capital Assist. Program for Elderly & Persons with Disabilities	Department of Transportation	20.513	199,908	
State Planning and Research	Department of Transportation	20.515	60,332	
State and Community Highway Safety	Department of Transportation	20.600	1,336,531	
Alcohol Traffic Safety & Drunk Driving Preven. Incentive Grants	Department of Transportation	20.601	398,229	
Safety Incentive Grants for Use of Seatbelts	Department of Transportation	20.604	133,081	
State Traffic Safety Information System Improvement Grants	Department of Transportation	20.610	23,697	
Incentive Grant Program to Increase Motorcyclist Safety	Department of Transportation	20.612	38,034	
TOTAL TRANSPORTATION DEPARTMENT, IDAHO			\$295,256,563	
VETERANS SERVICES				
Veterans State Nursing Home Care	Department of Veterans Affairs	64.015	\$5,937,339	
Burial Expenses Allowances for Veterans	Department of Veterans Affairs	64.101	127,399	
TOTAL VETERANS SERVICES			\$6,064,738	
VOCATIONAL REHABILITATION, DIVISION OF				
Rehabilitation Services-Vocational Rehabilitation Grants to States	Department of Education	84.126	\$14,758,529	
Rehabilitation Services-Service Projects	Department of Education	84.128	152,372	
Independent Living-State Grants	Department of Education	84.169	239,146	
Supported Employ. Services for Individuals w/Severe Disabilities	Department of Education	84.187	391,741	
State Vocational Rehabilitation Unit In-Service Training	Department of Education	84.265	130,097	
TOTAL VOCATIONAL REHABILITATION, DIVISION OF			\$15,671,885	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

STATE OF IDAHO
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL DEPARTMENT	CFDA	AMOUNT	TYPE*
WATER RESOURCES, DEPARTMENT OF				
Miscellaneous Department of Agriculture Grants	Department of Agriculture	10.999	\$18,489	
Miscellaneous Bureau of Reclamation Grants	Department of the Interior	15.999	196,657	
Miscellaneous Geological Survey Grants	Department of the Interior	15.999	24,514	
State Underground Water Source Protection	Environ. Protection Agency	66.433	59,453	
Surveys, Studies, Investigations and Special Purpose Grants	Environ. Protection Agency	66.606	433,218	
State Energy Program	Department of Energy	81.041	904,712	
Regional Biomass Energy Programs	Department of Energy	81.079	58,532	
Conservation Research and Development	Department of Energy	81.086	282,933	
Energy Efficiency and Renewable Energy Info. Dissemination, Outreach, Training and Technical Analysis/Assistance	Department of Energy	81.117	71,169	
State Energy Program Special Projects	Department of Energy	81.119	361,449	
Columbia Basin Water Transaction Program	Department of Energy	81.999	283,385	
Heat Pump and Air Conditioner Research, Demos. & Deployment	Department of Energy	81.999	188,220	
Community Assistance Program State Support Services Element	Department of Homeland Security	97.023	79,710	
National Dam Safety Program	Department of Homeland Security	97.041	17,284	
Map Modernization Management Support	Department of Homeland Security	97.070	102,939	
TOTAL WATER RESOURCES, DEPARTMENT OF			<u>\$3,082,664</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$1,962,539,248</u></u>	

*Type of assistance other than direct cash. NC = Non-cash; PT = Pass-through
The accompanying notes are an integral part of the financial statements.

**NOTES TO SUPPLEMENTARY SCHEDULES
OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE #1 PURPOSE OF THE SCHEDULE

The Supplementary Schedules of Expenditures of Federal Awards (schedules) are in addition to the State's basic financial statements, and are presented for purposes of additional analysis. The schedules are required by Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations*. OMB *Circular A-133* is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156.

NOTE #2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity includes all federal awards administered by those state departments and entities included in the State's *Comprehensive Annual Financial Report (CAFR)*, except for the colleges and universities, the Idaho Finance and Housing Association, and the Idaho Individual High Risk Reinsurance Pool. The Schedules of Expenditures of Federal Awards for the colleges and universities, the Idaho Finance and Housing Association, and the Idaho Individual High Risk Reinsurance Pool are audited by independent certified public accountants and published under separate cover.

B. Basis of Accounting

The schedules were prepared using the cash basis method of accounting. Expenditures are recognized when paid, rather than when obligations are incurred. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

C. Basis of Presentation

Expenditures of Federal Awards—In accordance with *OMB Circular A-133*, federal awards are federal cost-reimbursement contracts or federal financial assistance (cash or non-cash) in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Awards may be received directly from a federal agency or indirectly from a pass-through entity. Contracts between the State and federal government for which the federal government procures tangible goods or services are not considered to be expenditures of federal awards.

Catalog of Federal Domestic Assistance—The *Catalog of Federal Domestic Assistance* (CFDA) is a list of federal programs available. *OMB Circular A-133* requires the schedules to provide total federal awards expended by the State for each individual federal program by CFDA number. Federal programs that have not been assigned a specific CFDA number are assigned a miscellaneous CFDA number—the first two digits of a miscellaneous CFDA number identifying the federal awarding agency followed by ".999."

Program Clusters—Closely related programs with different CFDA numbers that share common compliance requirements are considered "program clusters." The Schedule of Expenditures of Federal Awards by Federal Agency displays programs by program cluster as mandated by the *OMB Circular A-133 Compliance Supplement*. Programs not included within a designated cluster are presented under the title "NON-CLUSTERED PROGRAMS."

Valuation of Non-cash Assistance—Non-cash awards are identified by "NC" on the schedules. Non-cash expenditures of federal awards were determined as follows:

1. CFDA 10.550, Food Donation—Reported at the fair market value of the food commodities distributed.
2. CFDA 10.551, Food Stamps—Reported at the face value of the food stamps provided.
3. CFDA 10.569, Emergency Food Assistance—Reported at the fair market value of the food commodities distributed.

STATE OF IDAHO

Notes to Supplementary Schedules of Expenditures of Federal Awards for the Year Ended June 30, 2007

4. CFDA 39.003, Donation of Federal Surplus Personal Property – Reported at the fair market value of the donated property as determined by General Services Administration.
5. CFDA 66.001, Air Pollution Control Program – Reported at the fair market value of the goods and services included as in-kind match.
6. CFDA 66.034, Surveys, Studies, Investigations, Demonstrations, and Training activities relating to the Clean Air Act – Reported at the fair market value of the goods and services included as in-kind match.
7. CFDA 93.268, Immunization Grants – Reported at the federally assigned value of the serum distributed.

NOTE #3 PASS-THROUGH ASSISTANCE

Some State agencies receive federal awards from non-federal entities to carry out federal programs. These awards are identified by "PT" on the schedules. Following is additional information about these awards.

- A. CFDA 10.304 – The State Department of Agriculture received U.S. Department of Agriculture funds from the University of California, Davis. The Department reported expenditures of \$9,495. (Grantor number K007797-16)
- B. CFDA 14.246 – The Idaho State Historical Society received U.S. Housing and Urban Development funds from the Clearwater Economic Development Association. The Society reported expenditures of \$26,634. (Grantor numbers HUD03-013, HUD04-401, HUD04-409, HUD05DF-550, HUD05DF-557, AND HUD05DF-564)
- C. CFDA 14.246 – The Idaho Commission for Libraries received U.S. Housing and Urban Development funds from the Log Cabin Literacy Center. The Commission reported expenditures of \$4,507. (Grantor number HUD-EDI-SP-B-03-ID-0203)
- D. CFDA 15.999 – The Idaho State Historical Society received U.S. Department of the Interior funds from the National Council of the Lewis and Clark Bicentennial. The Society reported expenditures of \$1,250. (Grantor number FY03-51)
- E. CFDA 16.580 – The Judicial Department received U.S. Department of Justice funds from Ada County. The Department reported expenditures of minus \$6. (Grantor number 03-BYRN-11-IC-1)
- F. CFDA 45.129 – The Idaho State Historical Society received National Foundation on the Arts and Humanities funds from the Idaho Humanities Council. The Society reported expenditures of \$2,786. (Grantor numbers 2004051 and 2006102)
- G. CFDA 45.129 – The Idaho Commission for Libraries received National Foundation on the Arts and the Humanities funds from the Idaho Humanities Council. The Society reported expenditures of \$700. (Grantor number N/A)
- H. CFDA 66.034 – The Department of Environmental Quality received U.S. Environmental Protection Agency funds from the Nez Perce Tribe. The Department reported expenditures of \$8,044. (Grantor number MOA OAREMAD0308)
- I. CFDA 66.202 – The Department of Environmental Quality received U.S. Environmental Protection Agency funds from the Coeur d'Alene Tribe and the Kootenai Tribe of Idaho. The Department reported expenditures of \$3,195. (Grantor number N/A)

STATE OF IDAHO

**Notes to Supplementary Schedules of Expenditures of
Federal Awards for the Year Ended June 30, 2007**

- J. CFDA 66.808 – The Department of Environmental Quality received U.S. Environmental Protection Agency funds from the Oregon Center for Environmental Health. The Department reported expenditures of \$9,503. (Grantor number N/A)
- K. CFDA 66.817 – The Department of Environmental Quality received U.S. Environmental Protection Agency funds from Sage Community Resource. The Department reported expenditures of \$6,831. (Grantor number N/A)
- L. CFDA 81.106 – The Department of Environmental Quality received U.S. Department of Energy funds from the Western Governors' Association. The Department reported expenditures of \$347,050. (Grantor number MOA DEFC0490AL65416)
- M. CFDA 84.295 – Idaho Public Television received U.S. Department of Education funds from the Corporation of Public Broadcasting. Idaho Public Television reported expenditures of \$25,740. (Grantor number N/A)
- N. CFDA 84.304 – The Superintendent of Public Instruction received U.S. Department of Education funds from the Center for Civic Education. The Superintendent reported expenditures of \$94,229. (Grantor numbers CC04-05 5801ID, CC04-05 5804ID, CC05-06 5801ID, CC05-06 5804ID, INT4 57464, CCE-PC-06, CCE-CI-05, and V3-001)
- O. CFDA 93.110 – The Department of Health and Welfare received U.S. Department of Health and Human Services funds from the University of Hawaii. The Department reported expenditures of \$13,236. (Grantor number 6548)
- P. CFDA 93.145 – The Department of Health and Welfare received U.S. Department of Health and Human Services funds from the University of Washington. The Department reported expenditures of \$38,620. (Grantor number 128019)
- Q. CFDA 93.307 – The Commission on Hispanic Affairs received U.S. Department of Health and Human Services funds from the Mountain States Group, Inc. The Commission reported expenditures of \$10,034. (Grantor number 5 R24 MD001711-02)
- R. CFDA 93.586 – The Judicial Department received U.S. Department of Health and Human Services funds from the American Humane Association. The Department reported expenditures of \$13,163. (Grantor number 90-CA-1699-IDSC03)
- S. CFDA 93.670 – The Department of Health and Welfare received U.S. Department of Health and Human Services funds from the American Humane Association. The Department reported expenditures of \$19,160. (Grantor number 90-CA1699-IDHW03)
- T. CFDA 93.999 – The Department of Health and Welfare received U.S. Department of Health and Human Services funds from Westaff (USA), Inc. The Department reported expenditures of \$70,765. (Grantor number TPD-03-C-0005)

NOTE #4 LOANS OUTSTANDING

The following loan programs are administered on behalf of federal awarding agencies:

- A. The Department of Environmental Quality administers loans for the Capitalization Grant for the Clean Water State Revolving Fund (CFDA 66.458) and the Capitalization Grant for the Drinking Water State Revolving Fund (CFDA 66.468). These revolving funds make loans to qualified agencies for various water treatment projects. The loans are funded by the federal capitalization grant, State match, and

STATE OF IDAHO**Notes to Supplementary Schedules of Expenditures of
Federal Awards for the Year Ended June 30, 2007**

revolving funds. The loans are disbursed as the borrower incurs costs and are repaid over 20 years, starting within one year after project completion. Interest rates vary between 0% and 4.5%. Management considers all loans to be fully collectible, so there is no allowance for uncollectible accounts.

Loan programs at June 30, 2007:

CAPITALIZATION GRANT FOR CLEAN WATER – CFDA 66.458

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	\$155,620,749	\$86,446,198	\$0	\$69,174,551
Projects in Progress	<u>105,898,026</u>	<u>0</u>	<u>58,169,423</u>	<u>47,728,603</u>
Totals	<u>\$261,518,775</u>	<u>\$86,446,198</u>	<u>\$58,169,423</u>	\$116,903,154
Less: Amount Due Within 1 Year				<u>3,702,294</u>
Loans Receivable Net of Current Maturities				<u>\$113,200,860</u>

CAPITALIZATION GRANT FOR DRINKING WATER – CFDA 66.468

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	\$32,033,440	\$5,769,906	\$0	\$26,263,534
Projects in Progress	<u>45,381,405</u>	<u>0</u>	<u>27,168,053</u>	<u>18,213,352</u>
Totals	<u>\$77,414,845</u>	<u>\$5,769,906</u>	<u>\$27,168,053</u>	\$44,476,886
Less: Amount Due Within 1 Year				<u>1,290,652</u>
Loans Receivable Net of Current Maturities				<u>\$43,186,234</u>

- B. The Idaho Department of Water Resources administers loan and grant programs (CFDA 81.999) for the U.S. Department of Energy. The original source of these funds was petroleum price violations. The funds are used to finance various energy conservation projects. The outstanding principal and interest at June 30, 2007 was \$624,910. The Department of Water Resources determined uncollectible accounts to be \$6,037.

NOTE #5 SUBRECIPIENTS

Some of the federal expenditures presented in the schedule were provided to subrecipients to administer federal programs. Some subrecipients are also provided State funds in addition to federal funds. The following is a schedule of State agency payments (federal and State funds) to subrecipients:

STATE AGENCY	CFDA	FEDERAL PROGRAM TITLE	AMOUNT
Administration, Dept. of	39.003	Donation of Federal Surplus Personal Property	\$1,184,918
Aging, Commission on	17.235	Senior Community Service Employment Program	91,186
Aging, Commission on	93.042	Long-term Care Ombudsman Services for Older Individuals	68,981
Aging, Commission on	93.043	Disease Prevention and Health Promotion Services	69,353
Aging, Commission on	93.044	Grants for Supportive Services and Senior Centers	1,882,408
Aging, Commission on	93.045	Nutrition Services	2,091,400
Aging, Commission on	93.048	Discretionary Projects	78,431
Aging, Commission on	93.051	Alzheimer's Disease Demonstration Grants to States	267,982
Aging, Commission on	93.052	National Family Caregiver Support	692,951
Aging, Commission on	93.053	Nutrition Services Incentive Program	681,107
Agriculture, Dept. of	10.025	Plant and Animal Disease, Pest Control, and Animal Care	4,117

STATE OF IDAHO**Notes to Supplementary Schedules of Expenditures of
Federal Awards for the Year Ended June 30, 2007**

STATE AGENCY	CFDA	FEDERAL PROGRAM TITLE	AMOUNT
Agriculture, Dept. of	10.169	Specialty Crop Block Grant Program	\$3,096
Agriculture, Dept. of	10.664	Cooperative Forestry Assistance	50,821
Agriculture, Dept. of	15.999	Rangeland Management	9,529
Arts, Commission on the	45.025	Promotion of the Arts-Partnership Agreements	233,132
Commerce and Labor, Dept. of	10.672	Rural Development, Forestry, and Communities	7,272
Commerce and Labor, Dept. of	12.002	Procurement Technical Assistance for Business Firms	30,493
Commerce and Labor, Dept. of	14.228	Community Development Block Grants/State's Program	9,609,019
Commerce and Labor, Dept. of	17.207	Employment Service/Wagner-Peyser Funded Activities	17,483
Commerce and Labor, Dept. of	17.258	WIA Adult Program	152,075
Commerce and Labor, Dept. of	17.259	WIA Youth Activities	410,130
Commerce and Labor, Dept. of	17.260	WIA Dislocated Workers	128,560
Correction, Dept. of	94.006	AmeriCorps	1,248,384
Education, State Board of	84.069	Leveraging Educational Assistance Partnership	150,577
Education, State Board of	84.185	Byrd Honors Scholarships	209,250
Education, State Board of	84.365	English Language Acquisition Grants	1,616,387
Education, State Board of	84.367	Improving Teacher Quality State Grants	333,870
Environmental Quality, Dept. of	66.001	Air Pollution Control Program Support	17,543
Environmental Quality, Dept. of	66.419	Water Pollution Control State, Interstate, and Tribal Program Support	22,119
Environmental Quality, Dept. of	66.432	State Public Water System Supervision	333,998
Environmental Quality, Dept. of	66.460	Nonpoint Source Implementation Grants	2,145,799
Environmental Quality, Dept. of	66.468	Capitalization Grants for Drinking Water State Revolving Funds	200,405
Environmental Quality, Dept. of	66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific	10,350
Environmental Quality, Dept. of	81.502	Idaho National Laboratory Oversight	289,650
Health and Welfare, Dept. of	10.557	Supplemental Nutrition for Women, Infants, and Children (WIC)	5,528,966
Health and Welfare, Dept. of	10.561	State Administrative Matching Grants for Food Stamp Program	513,457
Health and Welfare, Dept. of	10.568	Emergency Food Assistance Program (Administrative Costs)	223,641
Health and Welfare, Dept. of	16.575	Crime Victim Assistance	1,414,477
Health and Welfare, Dept. of	66.032	State Indoor Radon Grants	3,515
Health and Welfare, Dept. of	81.042	Weatherization Assistance for Low-Income Persons	2,087,102
Health and Welfare, Dept. of	84.181	Special Education-Grants for Infants and Families with Disabilities	9,937
Health and Welfare, Dept. of	93.048	Special Programs for the Aging-Discretionary Projects	4,040
Health and Welfare, Dept. of	93.116	Project Grants and Cooperative Agreements for Tuberculosis Control	80,179
Health and Welfare, Dept. of	93.127	Emergency Medical Services for Children	18,492
Health and Welfare, Dept. of	93.136	Injury Prevention and Control Research and State and Community Based	129,445
Health and Welfare, Dept. of	93.145	AIDS Education and Training Centers	20,146
Health and Welfare, Dept. of	93.217	Family Planning-Services	866,159
Health and Welfare, Dept. of	93.235	Abstinence Education Program	252,116
Health and Welfare, Dept. of	93.241	State Rural Hospital Flexibility Program	292,007
Health and Welfare, Dept. of	93.259	Rural Access to Emergency Devices Grant	146,463
Health and Welfare, Dept. of	93.283	Centers For Disease Control & Prevention-Investigations and Technical	5,271,251
Health and Welfare, Dept. of	93.301	Small Rural Hospital Improvement Grant Program	181,276
Health and Welfare, Dept. of	93.558	Temporary Assistance For Needy Families	2,754,277
Health and Welfare, Dept. of	93.566	Refugee and Entrant Assistance-State Administered Programs	4,301
Health and Welfare, Dept. of	93.568	Low-Income Home Energy Assistance	3,572,242
Health and Welfare, Dept. of	93.569	Community Services Block Grant	3,155,303
		Comm. Ser. Block Grant Formula & Discretionary Awards Comm. Food &	
Health and Welfare, Dept. of	93.571	Nutrition Programs	14,575
Health and Welfare, Dept. of	93.575	Child Care and Development Block Grant	2,560,506
Health and Welfare, Dept. of	93.630	Developmental Disabilities Basic Support and Advocacy Grants	35,399
Health and Welfare, Dept. of	93.659	Adoption Assistance	85,301
Health and Welfare, Dept. of	93.667	Social Services Block Grant	873,708
Health and Welfare, Dept. of	93.671	Family Violence Protection and Services for Battered Women	727,023
Health and Welfare, Dept. of	93.674	Chafee Foster Care Independence Program	20,388

STATE OF IDAHO**Notes to Supplementary Schedules of Expenditures of
Federal Awards for the Year Ended June 30, 2007**

STATE AGENCY	CFDA	FEDERAL PROGRAM TITLE	AMOUNT
Health and Welfare, Dept. of	93.778	Medical Assistance Program	\$2,408,068
Health and Welfare, Dept. of	93.779	Ctrs. for Medicare/Medicaid Ser. Research, Demonstrations, & Evaluations	338
Health and Welfare, Dept. of	93.889	National Bioterrorism Hospital Preparedness Program	2,444,285
Health and Welfare, Dept. of	93.913	Grants To States For Operation of Offices of Rural Health	21,424
Health and Welfare, Dept. of	93.917	HIV Care Formula Grants	60,803
Health and Welfare, Dept. of	93.940	HIV Prevention Activities-Health Dept. Based	338,811
Health and Welfare, Dept. of	93.944	HIV/AIDS Surveillance	17,502
Health and Welfare, Dept. of	93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	217,716
Health and Welfare, Dept. of	93.988	Diabetes Control Programs and Evaluation of Surveillance Systems	126,741
Health and Welfare, Dept. of	93.991	Preventive Health and Health Services Block Grant	64,319
Health and Welfare, Dept. of	93.994	Maternal and Child Health Services Block Grant to the States	1,129,115
Health and Welfare, Dept. of	93.999	Office of Minority Health	15,200
Historical Society, Idaho State	14.246	CDBG/Brownfields Economic Development Initiative	2,000
Historical Society, Idaho State	15.904	Historic Preservation Fund Grants-in-Aid	58,133
Historical Society, Idaho State	15.999	Cost Share Lewis and Clark	10,476
Insurance, Dept. of	93.779	Ctrs. for Medicare/Medicaid Ser. Research, Demonstrations, & Evaluations	7,779
Juvenile Corrections, Dept. of	16.523	Juvenile Accountability Incentive Block Grants	371,261
Juvenile Corrections, Dept. of	16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	213,058
Juvenile Corrections, Dept. of	16.548	Title V Delinquency Prevention Program	29,112
Juvenile Corrections, Dept. of	16.549	Part E State Challenge Activities	9,950
Juvenile Corrections, Dept. of	16.727	Enforcing Underage Drinking Laws Program	106,673
Lands, Dept. of	10.664	Cooperative Forestry Assistance	1,791,113
Lands, Dept. of	10.672	Rural Development, Forestry, and Communities	381,000
Lands, Dept. of	10.677	Forest Land Enhancement Program	679
Lands, Dept. of	15.228	National Fire Plan-Wildland Urban Interface Community Fire Assistance	133,279
Lands, Dept. of	20.205	Highway Planning and Construction	103,572
Libraries, Idaho Commission for	45.310	Grants to States	85,197
Military, Division of	20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	6,672
Military, Division of	97.004	State Domestic Preparedness Equipment Support Program	3,506,104
Military, Division of	97.017	Pre-Disaster Mitigation Competitive Grants	300,648
Military, Division of	97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	1,109,947
Military, Division of	97.042	Emergency Management Performance Grants	632,808
Military, Division of	97.067	Homeland Security Grant Program	4,886,178
Parks and Recreation, Dept. of	15.616	Clean Vessel Act	13,770
Parks and Recreation, Dept. of	15.916	Outdoor Recreation-Acquisition, Development, and Planning	304,364
Parks and Recreation, Dept. of	20.219	Recreation Trails Program	928,676
Parks and Recreation, Dept. of	97.012	Boating Safety Financial Assistance	508,942
Police, Idaho State	16.554	National Criminal History Improvement Program	91,038
Police, Idaho State	16.579	Edward Byrne Memorial Formula Grant Program	100,408
Police, Idaho State	16.588	Violence Against Women Formula Grants	672,452
Police, Idaho State	16.609	Community Prosecution and Project Safe Neighborhoods	162,703
Police, Idaho State	16.727	Enforcing Underage Drinking Laws Program	7,525
Police, Idaho State	16.738	Edward Byrne Memorial Justice Assistance Grant Program	1,161,640
Police, Idaho State	16.744	Anti-Gang Initiative	60,792
Police, Idaho State	93.643	Children's Justice Grants to States	22,716
Prof.-Tech. Education, Division of	84.048	Vocational Education-Basic Grants to States	5,836,369
Prof.-Tech. Education, Division of	84.243	Tech-Prep Education	572,055
Prof.-Tech. Education, Division of	97.043	State Fire Training Systems Grants	30,560
Secretary of State	93.617	Voting Access for Individuals with Disabilities-Grants to States	170,946
Supt. of Public Instruction	10.550	Food Donation	4,413,851
Supt. of Public Instruction	10.553	School Breakfast Program	11,409,984
Supt. of Public Instruction	10.555	National School Lunch Program	34,592,582

STATE OF IDAHO**Notes to Supplementary Schedules of Expenditures of
Federal Awards for the Year Ended June 30, 2007**

STATE AGENCY	CFDA	FEDERAL PROGRAM TITLE	AMOUNT
Supt. of Public Instruction	10.556	Special Milk Program for Children	\$183,573
Supt. of Public Instruction	10.558	Child and Adult Care Food Program	5,554,384
Supt. of Public Instruction	10.559	Summer Food Service Program for Children	2,757,500
Supt. of Public Instruction	10.574	Team Nutrition Grants	5,046
Supt. of Public Instruction	10.579	Child Nutrition Discretionary Grants Limited Availability	495,351
Supt. of Public Instruction	16.727	Enforcing Underage Drinking Laws Program	79,423
Supt. of Public Instruction	20.600	State and Community Highway Safety	47,659
Supt. of Public Instruction	84.002	Adult Education-State Grant Program	2,349,803
Supt. of Public Instruction	84.010	Title I Grants to Local Educational Agencies	40,463,953
Supt. of Public Instruction	84.011	Migrant Education-State Grant Program	3,823,995
Supt. of Public Instruction	84.027	Special Education-Grants to States	45,104,252
Supt. of Public Instruction	84.173	Special Education-Preschool Grants	2,134,430
Supt. of Public Instruction	84.186	Safe and Drug-Free Schools and Communities-State Grants	1,609,855
Supt. of Public Instruction	84.196	Education for Homeless Children and Youth	206,092
Supt. of Public Instruction	84.213	Even Start-State Educational Agencies	1,059,274
Supt. of Public Instruction	84.215	Fund for the Improvement of Education	830,930
Supt. of Public Instruction	84.282	Charter Schools	2,174,954
Supt. of Public Instruction	84.287	Twenty-First Century Community Learning Centers	4,761,531
Supt. of Public Instruction	84.298	State Grants for Innovative Programs	514,907
Supt. of Public Instruction	84.318	Education Technology State Grants	1,384,034
Supt. of Public Instruction	84.332	Comprehensive School Reform Demonstration	890,945
Supt. of Public Instruction	84.357	Reading First State Grants	2,351,813
Supt. of Public Instruction	84.365	English Language Acquisition Grants	160,167
Supt. of Public Instruction	84.367	Improving Teacher Quality State Grants	12,017,904
Supt. of Public Instruction	93.938	Comprehensive School Health Programs to Prevent the Spread of HIV	22,000
Supt. of Public Instruction	94.004	Learn and Serve America-School and Community Based Programs	79,788
Transportation Dept., Idaho	20.205	Highway Planning and Construction	3,105,177
Transportation Dept., Idaho	20.500	Federal Transit-Capital Investment Grants	106,835
Transportation Dept., Idaho	20.509	Formula Grants for Other Than Urbanized Areas	4,154,977
Transportation Dept., Idaho	20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	146,952
Transportation Dept., Idaho	20.600	State and Community Highway Safety	912,866
Transportation Dept., Idaho	20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	69,475
Transportation Dept., Idaho	20.604	Safety Incentive Grants for Use of Seatbelts	5
Vocational Rehab., Division of	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	186,651
Vocational Rehab., Division of	84.169	Independent Living-State Grants	217,372
			<u>\$276,803,675</u>

NOTE #6 REBATES OF PROGRAM EXPENDITURES

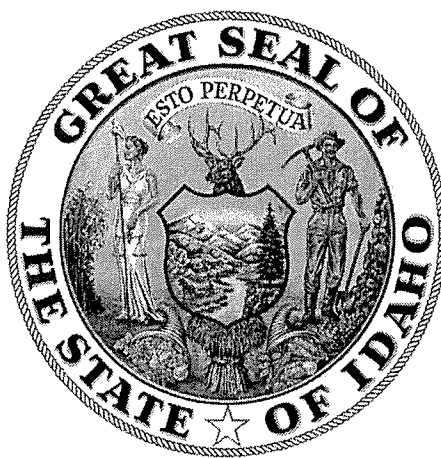
Manufacturers paid rebates for prescription drugs (CHIP and Medical Assistance) and infant formula (WIC) that had been previously purchased by program participants. The rebates reduce the previously incurred program costs.

The State received the following program expenditure rebates during fiscal year 2007:

Program	CFDA Number	Rebate Amount
Children's Insurance Program (CHIP)	93.767	\$669,155
Medical Assistance Program	93.778	32,233,317
Supplemental Food for Women, Infants and Children (WIC)	10.557	7,845,832

**STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

AUDITOR'S RESULTS



**STATE OF IDAHO
SINGLE AUDIT REPORT
SUMMARY OF AUDITOR'S RESULTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

BASIC FINANCIAL STATEMENTS

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. The audit of the basic financial statements disclosed significant deficiencies in internal control. None of the significant deficiencies are considered material weaknesses.
3. The audit of the basic financial statements did not disclose any noncompliance that is material to the financial statements.

FEDERAL AWARDS

1. The audit of federal major programs in the Schedule of Expenditures of Federal Awards disclosed significant deficiencies in internal control. None of the significant deficiencies are considered material weaknesses.
2. The independent auditor's report on compliance with federal major programs expressed an unqualified opinion.
3. The *Single Audit Report* disclosed findings that are required to be reported in accordance with the criteria in Section 510a of *OMB Circular A-133*.
4. The federal programs identified as major programs are listed on the following page.
5. The dollar threshold used to distinguish between Type A and Type B programs was \$5,887,618.
6. For the fiscal year ended June 30, 2007, the State of Idaho did not meet *OMB Circular A-133*'s requirements to qualify as a low-risk auditee.

**STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

PROGRAM OR CLUSTER TITLE	CFDA
CHILD NUTRITION CLUSTER:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program for Children	10.556
Summer Food Service Program for Children	10.559
SPECIAL EDUCATION CLUSTER:	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
CCDF CLUSTER:	
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
MEDICAID CLUSTER:	
State Survey and Certification of Health Care Providers and Suppliers	93.777
Medical Assistance Program	93.778
NON-CLUSTERED MAJOR PROGRAMS:	
Election Reform	39.999
Veterans State Nursing Home Care	64.015
Capitalization Grants for Clean Water State Revolving Funds	66.458
Capitalization Grants for Drinking Water State Revolving Funds	66.468
Title I Grants to Local Educational Agencies	84.010
Improving Teacher Quality State Grants	84.367
Immunizations Grants	93.268
Centers for Disease Control – Investigations and Technical Assistance	93.283
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
Foster Care Title IV-E	93.658
State Children's Insurance Program	93.767

**STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Federal Department Federal Program	State Agency	CFDA Number	Questioned Costs	Finding Reference
<u>HEALTH AND HUMAN SERVICES, DEPARTMENT OF</u>				
Medicaid	Health and Welfare, Department of	93.778	N/D	07F-1
Medicaid	Health and Welfare, Department of	93.778	N/D	07F-2
Medicaid	Health and Welfare, Department of	93.778	N/D	07F-3
Medicaid	Health and Welfare, Department of	93.778	N/D	07F-4
Medicaid	Health and Welfare, Department of	83.778	N/D	07F-5
Children's Health Insurance Program	Health and Welfare, Department of	93.767	N/D	07F-6
Medicaid	Health and Welfare, Department of	93.767	N/D	07F-7
Child Support Enforcement	Health and Welfare, Department of	93.563	\$622,000	07F-8
Temporary Assistance to Needy Families	Health and Welfare, Department of	93.558	\$294,000	07F-9
Temporary Assistance to Needy Families	Health and Welfare, Department of	93.558	N/D	07F-10
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Special Education Grant (cluster)	Superintendent of Public Instruction	84.027 84.173	N/D N/D	07F-11
Total Questioned Costs			<u>\$916,000</u>	

N/D = The amount of questioned costs for this finding is not easily determinable.

**STATE OF IDAHO
SINGLE AUDIT REPORT
FEDERAL FINDINGS AND QUESTIONED COSTS
FISCAL YEAR 2007**

HEALTH AND WELFARE, DEPARTMENT OF

FINDING 07F-1

CFDA Title: Medicaid

CFDA #: 93.778

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health and
Human Services

Compliance Requirements: E-Eligibility

Questioned Costs: Not Determinable

Medicaid eligibility data in EPICS is still not reconciled to the Medicaid Automated Information System (AIM). We recommended in the fiscal year 2003, 2005, and 2006 audits that the Department establish a reconciliation process between EPICS and the Medicaid AIM payment system to ensure that client eligibility was properly recorded and that provider claims were paid promptly. This reconciliation process has not been fully developed, and the ongoing enhancements to the EPICS system are creating new variations and errors in client eligibility which are not actively identified or corrected.

The last time a reconciliation report was attempted was May 2005, and the resulting output had more than 27,500 errors. The Department delayed creating the reconciliation report due to resource constraints, but indicated another reconciliation report would be prepared in May 2007. However, the next reconciliation report was not completed until October 2007 and contained more than 43,000 errors.

The EPICS help desk staff manually corrects hundreds of cases each month that are identified through questions and complaints from regional caseworkers and others. However, there are no procedures in place to prevent, detect, or correct errors in EPICS unless a question or complaint is filed.

Efforts to reconcile the eligibility data in the EPICS and AIM systems have not been taken because the process is very labor intensive and resources are directed toward other issues. The ongoing enhancements to the EPICS system add to the complexity, and no interim procedures exist to ensure the accuracy and integrity of the eligibility records. As a result, clients are not provided benefits promptly, or sometimes at all, and providers who render services to clients cannot be paid until the AIM record is created.

The contract with Electronic Data Systems (EDS) requires a quarterly reconciliation, but the Department has failed to provide the information needed to complete the reconciliation. Payments to EDS include the cost of reconciliation even though it is not being performed.

RECOMMENDATION 07F-1

We recommend that the Department establish procedures to identify and correct errors in the automated records that cause client eligibility to be delayed or not established at all. These procedures should include actively identifying cases each month with characteristics known to cause eligibility errors and documenting the changes made to the client record.

New issues will likely arise as the EPICS system enhancements continue and these interim procedures should expand to minimize any future detrimental effect to clients and providers until all enhancements are operational.

STATE OF IDAHO

Federal Findings and Questioned Costs for the Fiscal Year Ended June 30, 2007

AGENCY'S CORRECTIVE ACTION PLAN

We also recommend that the reconciliation process be a high priority as the Department plans and implements the new Medicaid management information system project.

The Department agrees with this finding. The Division of Welfare and Medicaid are continuing to work on a procedure for reconciliation between the two systems. This has been a priority but little progress has been made because of the complications of being able to match up the data elements from the two systems. Medicaid decided in April 2008 to pay EDS to scrub the data from EPICS to effectively perform reconciliation with AIM. This will also be addressed in the EPICS Replacement and the new Medicaid Management Information System (MMIS, which will replace AIM) projects.

AUDITOR'S RESPONSE

We will continue to monitor the Department's progress to establish a reconciliation process and reduce the number of interfacing errors.

FINDING 07F-2

CFDA Title: Medicaid

CFDA #: 93.778

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: N-Special Tests
Questioned Costs: Not Determinable

The Medicaid program has not coordinated the efforts to recover benefit costs through the child support program as required. Federal regulation (42 CFR 433.155) requires the State Medicaid program to establish an agreement with the State child support program to coordinate the recovery of benefit costs from non-custodial parents and other third parties. The Medicaid program is required to pay the administrative expenses that are not otherwise allowable under the federal child support program, and to pay an incentive to the State program equal to 15% of the amounts recovered. This incentive amount is paid entirely from the federal share of the recoveries.

The State Medicaid Plan indicated that the required agreement existed during fiscal year 2006 with the child support program, but a copy of this document could not be located by the Department. In addition, we found no evidence that the Medicaid program had ever paid the child support program for expenses to recover benefit costs.

The Department drafted a cooperative agreement, effective on July 1, 2007, that both the Idaho Medicaid and child support programs signed. This agreement was submitted to the federal grantor but was not approved for the following two reasons:

1. The State child support program is not eligible to receive the 15% incentive, as it is not a separate political subdivision as defined by regulation.
2. Additional language is needed to meet HIPPA confidentiality requirements related to medical records.

RECOMMENDATION 07F-2

We recommend that the Department continue to pursue birth costs and work to finalize the agreement between the State Medicaid and child support programs that will meet the requirements of federal regulations.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees with this finding and recommendation. The Department will continue to properly record and pursue for recovery in a timely manner. The Department's goal is to have an acceptable financing methodology identified and approved by both the federal Medicaid and child support programs and incorporated into the new cooperative agreement with an effective date of July 1, 2008.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan and will monitor the progress to resolve this issue.

FINDING 07F-3

CFDA Title: Medicaid

CFDA #: 93.778

Federal Award #: 05-0506ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements:

C-Cash Management

Questioned Costs: Not Determinable

Medicaid costs are not consistently reconciled to ensure that the appropriate federal reimbursement ratios are used. Medicaid costs are reimbursed by the federal government at several different ratios depending on the purpose and type of the cost. However, the data used to calculate the federal draws under each ratio is not reconciled to the total expenditures in the Medicaid Management Information System (MMIS). As such, the possibility exists that costs are claimed at the wrong federal ratio.

The Department created a reconciliation process during fiscal year 2008 to link the transaction details in the MMIS to the federal draw amounts, but this process is not completed for every draw.

RECOMMENDATION 07F-3

We recommend that the Department complete the reconciliation between the federal draw amounts and MMIS total expenditures to ensure that Medicaid costs are drawn using the appropriate federal ratios.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees with the finding and the recommendation. The Division of Management Services will continue to complete the reconciliation between the MMIS and the draw of federal funds, maintaining the supporting documentation.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan and will monitor the progress to resolve this issue.

FINDING 07F-4

CFDA Title: Medicaid

CFDA #: 93.778

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 6, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: J-Program Income

Questioned Costs: Not Determinable

Drug rebates are processed by a contractor without adequate oversight by the Department. Drug rebates are processed by the Medicaid system contractor, EDS, using information in the AIM Medicaid system. The calculation is based on the type and quantity of drugs purchased from various manufacturers each month, and the billings and collections are posted by EDS directly into the AIM system.

This process is handled entirely by EDS and no evidence exists to show any oversight or other confirmations by the Department. Drug rebates are significant, totaling approximately \$28 million in fiscal year 2007. We are concerned that no consistent processes exist to verify that the amounts and collections are accurate and appropriate.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

RECOMMENDATION 07F-4

We recommend that the Department implement processes to monitor and ensure that federal drug rebate collections are accurate and appropriate.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees with this finding and recommendation. The Division of Medicaid has instituted new procedures to improve oversight of the EDS contract with regards to the processing of federal drug rebates. The Division has designated one person to perform the new oversight procedures. The Division implemented some of the new procedures in the first quarter of calendar year 2008 and will implement the remaining procedures in the second quarter of calendar year 2008.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan and will monitor the progress to resolve this issue.

FINDING 07F-5

CFDA Title: Medicaid

CFDA #: 93.778

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: J-Program Income

Questioned Costs: Not Determinable

Medicaid repayment agreements are inconsistently processed and not always established in the accounts receivable system. Clients who receive Medicaid benefits in error are sent a letter of demand and a repayment agreement form to complete. The client submits the completed repayment agreement to the Central Revenue Unit. However, no process exists to evaluate whether the payback period or other terms are reasonable based on the client's income and other factors.

In addition, some repayment agreements are not established in the accounts receivable system. This situation increases the risk of loss or errors in processing and recording payments, and is a serious internal control weakness.

RECOMMENDATION 07F-5

We recommend that the Department establish a process to evaluate the reasonableness of repayment plans and to ensure that all plans are properly recorded in the accounts receivable system.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees with this issue. The Department will take, or has taken, two actions to improve this process. First, the Division of Management Services' Central Receipting Unit will initiate a workgroup to establish repayment standards and to identify a way to ensure all repayment agreements are recorded in the accounts receivable. The workgroup will include members of the Welfare Fraud Unit, Medicaid Program Integrity Unit, Central Receipting Unit, Welfare Programs, and Medicaid Programs.

Second, the Central Receipting Unit has begun recording the terms of each repayment agreement in the accounts receivable record to make sure all future payments are distributed correctly.

STATE OF IDAHO

Federal Findings and Questioned Costs for the Fiscal Year Ended June 30, 2007

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan and will monitor the progress to resolve this issue.

FINDING 07F-6

CFDA Title: Children's Health

Insurance Program

CFDA #: 93.767

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: J-Program Income

Questioned Costs: Not Determinable

CHIP-B premiums were not billed for the first 17 months of the program. Eligibility for the CHIP-B program requires clients to pay a monthly premium. This cost-sharing program was implemented as part of Medicaid reform with the passage of administrative rule (16.03.18.506) in March 2005. This rule established a \$15 premium effective for this program for fiscal year 2006. However, no premiums were billed during all of fiscal year 2006, and the Department indicated this was to allow time to notify clients of the change to the program. Further, premiums were not billed until June 2007, 17 months after the initial premium amount of \$15 was established. In March 2007, administrative rule (16.03.18.200.01-02) established a tiered premium schedule based on income.

During fiscal years 2006 and 2007, the Department collected about one-third of the estimated premiums required. This amount could be as much as \$400,000 per year in uncollected premiums. Existing clients who were moved to the CHIP-B program at its inception were provided payment coupon books to remit their premiums. During the transition, the Department implemented a new billing system to replace the payment coupon book process, but new clients were not billed and no efforts were taken to collect these premiums.

RECOMMENDATION 07F-6

We recommend that the Department bill for all required premiums and pursue any unbilled and unpaid premium amounts from clients.

AGENCY'S CORRECTIVE ACTION PLAN

The Department agrees with this finding. Prior to the audit finding, the Department corrected this problem. The Department began billing for premiums on June 30, 2006. When Medicaid reform was implemented, the Department automatically converted individuals into the newly established coverage groups. Many of these individuals went into the new cost share groups. Because participants were not notified in advance of the conversion or of their move to cost share, the Division of Medicaid and Division of Welfare established a five-month moratorium on premiums to allow the Department to notify participants of cost share responsibilities.

Modifications to automated systems to support the implementation of Medicaid reform were delayed and this caused the moratorium to be extended. Individuals who had delayed application processing because of this major program change had their initial premiums waived until the month after the month they were notified of approval and of their responsibility to pay a premium.

The conversion issues that caused the premium moratorium no longer exist. Participants have premiums established in the third month after their application date. This issue has been resolved and the Department does currently bill for all required premiums and pursues any unbilled and unpaid premium amounts from clients.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

AUDITOR'S RESPONSE

Current participant cases are being established and billed for premiums, but the issue of unbilled premiums is not addressed. We continue to recommend that the Department pursue any unbilled and unpaid premium amounts from clients.

FINDING 07F-7

CFDA Title: Medicaid

CFDA #: 93.767

Federal Award #: 05-0605ID5028

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: J-Program Income

Questioned Costs: Not Determinable

Records are not created in the accounts receivable system for all CHIP-B cases tested. A data transfer process was developed by the Department to create records in the automated accounts receivable system for CHIP-B client premiums. We tested 30 CHIP-B client files and identified two (7%) where the required receivable record was not established. As a result, no billings were sent to clients, and Department staff was unable to identify the reason for these omissions. In addition, the Department does not have an established reconciliation process to ensure that all CHIP-B client information interfaces accurately between the client eligibility system and the accounts receivable system.

RECOMMENDATION 07F-7

We recommend that the Department analyze the interface process used to create accounts receivable records for CHIP-B premiums to identify the cause for any omitted records. We also recommend that the Department complete a monthly reconciliation between the eligibility and accounts receivable systems to ensure that all records are properly created, and to bill and pursue any unpaid premiums.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees that a reconciliation process is needed between the CHIP database and BARS. As of March 2008, a monthly reconciliation report for the BARS and CHIP data was generated. Eligibility staff reconciles the report, identify what did not cross correctly and report system issues to a designated individual. Eligibility errors are then corrected by Self Reliance staff. The Division then generates an invoice for any missed billings.

The Department disagrees that billings were missed on the two receivable records identified in this finding. The Division of Welfare has looked through the file provided by the auditors and found that the people who did not cross to BARS should not have crossed. They did not have a debt built because either they were in the first two months of eligibility or they moved to a non-cost share group. Billings were established for subsequent months where there was a debt.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

FINDING 07F-8

CFDA Title: Child Support Enforcement

CFDA #: 93.563

Federal Award #: G0604ID4004

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: B-Allowable Costs

Questioned Costs: \$622,000

Costs for services to ineligible clients are still charged to the Child Support Grant. Federal regulation (45 CFR 302.33) requires the Department to provide services to clients who are either required to cooperate with the child support program as a condition of receiving assistance, or who applied for services and paid an application fee of \$25. Each state is required to operate a centralized receipting and disbursement unit. Costs for operating this unit are allowable to the grant, but only for those clients who meet eligibility requirements. Costs associated with providing services to clients that are not required to cooperate, or have not applied and paid a fee, are not allowable to the federal grant.

Cases where clients do not meet eligibility requirements are identified as "receipting services only," or RSO cases. As of June 2007, there were 137,315 total active cases in the automated child support system, of which 21,194 were RSO cases. The cost of services to RSO cases is based on an allocation of the automated case management system, receipting services contract, and related costs.

RSO service costs of \$1,154,000 were questioned in the fiscal year 2006 audit report, of which \$756,000 was paid from the Child Support Grant and \$398,000 was paid from the Temporary Assistance to Needy Families (TANF) Grant. The Department has yet to address the questioned costs associated with the Child Support Grant for fiscal year 2006. Another \$916,000 in RSO service costs are questioned for fiscal year 2007, of which \$622,000 was paid from the Child Support Grant and \$294,000 was paid from the TANF Grant as identified in Finding #9. These types of costs have been claimed in error for at least the last four years.

RECOMMENDATION 07F-8

We recommend that the Department exclude costs from the federal grant for child support cases where the client is not eligible for services. We also recommend that the Department resolve the fiscal year 2006 and 2007 questioned costs with the federal grantor and determine if adjustments for prior year claims are required.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees with this finding. Processes and procedures are being developed to ensure that only cases where the client is eligible for services are charged to the Child Support Grant. The Department is also reviewing fiscal years 2005, 2006 and 2007 costs charged to the Child Support Grant to ensure compliance and to determine if any adjustments are required.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan and will monitor the progress to resolve this issue.

STATE OF IDAHO

Federal Findings and Questioned Costs for the Fiscal Year Ended June 30, 2007

FINDING 07F-9

CFDA Title: Temporary Assistance to
Needy Families

CFDA #: 93.558

Federal Award #: G0006IDTANF

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: B-Allowable Costs

Questioned Costs: \$294,000

TANF funds are improperly used for child support receipting costs.

The purpose of the TANF Grant is to fund activities, benefits, or services that will accomplish one of four objectives described in the federal legislation. TANF regulations require states to continue to operate separate child support enforcement, foster care, and adoption assistance programs, and not replace state spending in these programs with TANF funds.

TANF funds of \$294,000 were used in fiscal year 2007 to pay for costs to operate the child support receipting program. The Department contends these costs support the fourth TANF objective of encouraging the formation and maintenance of two-parent families by supporting parental involvement, access, and visitation. However, there is no statistical or other evidence to support this contention.

The nature and type of costs charged do not provide a recognizable activity or benefit that meets this objective or any other allowable TANF purpose. Despite the federal grantor's acceptance of this practice in the past, we believe the Department is at risk of future disallowed costs and penalties by the grantor for using TANF funds improperly.

RECOMMENDATION 07F-9

We recommend that the Department discontinue charging the costs of child support receipting activities to the TANF Grant.

AGENCY'S CORRECTIVE ACTION PLAN

The Department disagrees with this finding. In the Legislative Audit Report for fiscal year 2006, the auditors reported that \$398,000 was incorrectly charged to TANF for child support receipting services. At that time, the Department disagreed with the auditor and believed that those charges were allowable. The federal grantor ultimately agreed with the Department, that these expenditures were allowable. In the "Notice of Determination" letter, the Administration for Children and Families (ACF), quoted a similar determination back in FY 1999:

"TANF funds may be used for processing child support payments when the cases do not qualify for funding under the Child Support Enforcement program. This expenditure meets the fourth TANF purpose in that it supports parental access, visitation, and maintenance of parental involvement with their children."

The Department does not see anything in this finding that was not already questioned in fiscal years 2006 and 1999. And, since the federal grantor agreed that these costs were allowable in both prior years, the Department is using this as guidance that TANF funds for processing child support payments for Non IV-D cases meets purpose four of the TANF funding guidelines by encouraging the formation and maintenance of two-parent families.

AUDITOR'S RESPONSE

We are repeating this finding because we continue to view the use of TANF funding for child support receipting costs as unallowable. The RSO child support costs in question do not represent any activity, service, or benefit. The use of TANF funds for these costs is not an "initiative" designed to increase a non-custodial parent's ability to

STATE OF IDAHO

Federal Findings and Questioned Costs for the Fiscal Year Ended June 30, 2007

provide financial or emotional support for his or her children. These are indirect system costs from the child support program allocated to the federal TANF grant. The Department has not provided adequate evidence that these costs are related to cases identified as allowable in the federal resolution as "cases where the support order is on or before January 1, 1994, and the payment is not made by wage withholding." These specific cases are the only types that the federal grantor has allowed for funding under TANF, and no support is available that the RSO costs charged to TANF by the Department are related to these cases.

We also have concerns regarding the Department's new estimates of RSO case costs, as detailed in a memo to the federal grantor dated April 18, 2008. The new calculation indicates that the federal TANF grant was overcharged \$327,945 for federal fiscal year 2006 and based on this new data, we estimate an overcharge of about \$244,000 for federal fiscal year 2007.

With the loss of the supplemental award and the impending spend-down of TANF prior-year awards, it is vital that all TANF expenditures meet federal objectives and effectively contribute to the success of the program. We continue to recommend that the Department discontinue the use of federal TANF funds for RSO child support costs and work with the federal grantor to resolve the overcharges for current and prior years.

FINDING 07F-10

CFDA Title: Temporary Assistance to
Needy Families

CFDA #: 93.558

Federal Award #: G0006IDTANF

Program Year: October 1, 2005 to
September 30, 2006

Federal Agency: Department of Health
and Human Services

Compliance Requirements: B-Allowable Costs
Questioned Costs: Not Determinable

Foster care training costs are incorrectly allocated to the TANF Grant.

The amount of foster care training costs charged to the TANF Grant is disproportionately large in comparison to the foster care benefits funded by the TANF program. In fiscal year 2007, the Department charged \$1.5 million in foster care training costs to TANF, but only about \$100,000 in related foster care benefits. The formerly approved State Plan allowed for administrative activities necessary to manage the emergency assistance (EA) program within the TANF Grant, including staff and provider training and certain foster care benefits. Using that provision, the Department has charged approximately 60-70% of federal Title IV-E training costs for foster care staff to the TANF Grant, with the remaining costs charged to the Title IV-E Foster Care Grant.

The federal reimbursement rate for the TANF Grant for training costs is 100%, and the federal reimbursement rate under the Foster Care Grant for training costs is 75%. While there is a basis for cost-sharing since the training does provide benefits to both programs, the Department did not provide an allocation plan to properly support the amounts applicable to each grant.

Additionally, the Department discontinued the use of TANF emergency assistance funds for foster care benefits in June 2007, due to the difficulty of ensuring that all eligibility criteria for the EA program were met. The continued payment of foster care training costs with EA funds could be viewed by the federal grantor as supplanting State spending in the foster care program.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

RECOMMENDATION 07F-10

We recommend that the Department analyze the cost of foster care services and benefits provided both by the TANF emergency assistance and the foster care programs, and allocate training costs in proportion to those activities.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Department agrees that the use of Emergency Assistance (EA) funds in the foster and pre-adoptive parent training program was disproportionate to the foster care benefits funded through the EA program. The Department has discontinued the use of EA funds for foster care benefits and will discontinue the use of EA funds in the foster pre-adoptive parent training program. Additionally, the Department will further evaluate the method of allocating costs for staff training programs, which may utilize the results of federally approved random moment time study. The Department agrees with the recommendation and feels that these changes will result in an allocation of training costs that is reflective of the benefits received from the training programs.

The Department has not shifted costs from State to federal funds and disagrees with the suggestion of supplanted funds.

AUDITOR'S RESPONSE

We agree with the Department's corrective action plan.

SUPERINTENDENT OF PUBLIC INSTRUCTION, DEPARTMENT OF EDUCATION

FINDING 07F-11

CFDA Title: Special Education Grant Cluster
CFDA # and Federal Award #:

84.027- H027A040088, H027A050088,
H027A060088

84.173 - H173A040030, H173A050030,
H173A060030

Program Year: 2007

Federal Agency: U.S. Department of
Education

Compliance Requirements:

B - Allowable Costs

Questioned Costs: Not Determinable

Salaries and wages charged to the Special Education Grant are not properly documented as required by federal regulations. Federal regulations (Office of Management and Budget (OMB) *Circular A-87*) require that salaries and wages charged to federal grants must be documented by a detailed activity report, an approved allocation plan, or a semiannual certification for employees who work solely on one federal program.

Salaries and wages for all employees within the Special Education Division of the Department were charged to the Special Education Grant during fiscal year 2007, however, no semiannual certifications and no detailed activity reports were prepared. These certifications must identify the program and periods covered, and have the signature of the employee or a supervisor having firsthand knowledge of the work performed by the employee.

A total of \$766,012 in salaries and wages was charged to the Special Education Grant during the State fiscal year 2007, of a total disbursed for the grant of \$49,957,607. We are unable to confirm the allowability of salaries and wages due to the absence of appropriate documentation, which could result in federal penalties and sanctions.

RECOMMENDATION 07F-1

We recommend that the Department properly document all payroll costs by preparing semiannual certifications for employees who work solely on one federal grant program, and require detailed time sheets for those employees who work on multiple activities.

STATE OF IDAHO

**Federal Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2007**

**AGENCY'S CORRECTIVE
ACTION PLAN**

Prior to the audit fieldwork by the Legislative Services Office, the State Department of Education became aware of the issue with the documentation of payroll costs charged to federal grants and immediately took steps to resolve it.

The fiscal staff at the Department began educating management and staff through a series of e-mails, mandatory trainings and all-staff meetings. The Department implemented policies and procedures to address the issue and has scheduled quarterly reviews of federal time reporting.

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF PRIOR FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Department Federal Program	State Agency	CFDA Number	Questioned Costs	Finding Reference
<u>HEALTH AND HUMAN SERVICES, DEPARTMENT OF</u>				
Temporary Assistance to Needy Families (TANF)	Health and Welfare, Dept. of	93.558	\$1,831,578	04F-1
Child Support Enforcement	Health and Welfare, Dept. of	93.563	N/D	04F-2
Children's Health Insurance Program (CHIP)	Health and Welfare, Dept. of	93.767	4,000,000	04F-4
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	04F-6
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	05F-1
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	05F-2
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	05F-3
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	05F-5
Child Support Enforcement	Health and Welfare, Dept. of	93.563	N/D	05F-8
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	06F-1
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	06F-2
Medical Assistance Program	Health and Welfare, Dept. of	93.778	N/D	06F-3
Child Support Enforcement	Health and Welfare, Dept. of	93.563	499,000	06F-4
Temporary Assistance to Needy Families (TANF)	Health and Welfare, Dept. of	93.558	N/D	06F-5
Temporary Assistance to Needy Families (TANF)	Health and Welfare, Dept. of	93.558	4,590,000	06F-6
Child Care and Development Block Grant	Health and Welfare, Dept. of	93.575	N/D	06F-7
Medicaid Assistance Program	Health and Welfare, Dept. of	93.778	145,000	06F-8
Total Questioned Costs			<u>\$11,065,578</u>	

N/D = The amount of questioned costs for this finding is not easily determinable.

**STATE OF IDAHO
SINGLE AUDIT REPORT
PRIOR FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**Issue Number
CFDA Title/Number
Federal Agency
Questioned Costs**

**Finding
and
Noncompliance Issue**

FISCAL YEAR 2004

HEALTH AND WELFARE, DEPARTMENT OF

04F-1

Temporary Assistance to Needy Families (TANF)
93.558
Department of Health and Human Services
Questioned Costs: \$1,831,578

The Department improperly used more than \$1.8 million of the Temporary Assistance to Needy Families (TANF) Grant for inpatient treatment costs and child care services. Federal TANF funding is available for a variety of client services, if certain eligibility criteria are met. These criteria establish income guidelines and job search and work requirements the client must agree to as conditions for receiving assistance.

Federal regulation (45 CFR 233.145 (c)) prohibits the use of TANF funds for medical services for any type of "remedial care provided by an institution to any individual as an inpatient." In addition, the Department's federally-approved State Plan and the associated administrative rules (IDAPA 16.03.08.376) prohibit the use of TANF funds for any type of child care.

An analysis of costs charged to the TANF Grant during fiscal year 2004 disclosed the following:

1. Inpatient services in the amount of \$358,000 were incorrectly charged to the TANF program. The Department used TANF funds to provide services to children in group residential and mental health treatment facilities. These inpatient services included medical services, based on reviews of vendor invoices, that provided diagnosis and other information. These costs were unallowable to the TANF Grant, even if a portion of the costs were associated with room and board.
2. Child care costs of nearly \$1.5 million were charged to the TANF program in error. Near the end of federal fiscal year 2003, the Department determined that expenditures in the child care program would exceed available funding. As such, child care costs of \$1,473,578 processed through the Idaho Child Care Program (ICCP) automated system during August and September 2003 were redirected to the TANF Grant. This was done by adjusting the accounting system coding and did not involve any client-level determination or other processes to document eligibility. As a result, nearly \$1.5 million of the TANF funds were used improperly, which could result in financial sanctions or refund to the federal grantor.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

We recommended that the Department comply with federal regulations by not charging medical services or child care costs to the TANF Grant. Program staff should be notified that residential treatment placements that include any medical services are not allowable costs to the TANF program.

We also recommended that the Department contact the federal grantor to resolve the questioned costs and potential refund of federal funds.

Current Status: **CLOSED**

The Department contacted the federal grantor and has resolved all questioned costs and related issues described in this finding.

04F-2

Child Support Enforcement

93.563

Department of Health and Human Services

Questioned Costs: Not determinable

No procedures existed to identify or pursue child support debts from the estates of deceased non-custodial parents. Federal regulation (45 CFR 303.6) requires the Department's Child Support Enforcement program to take "any appropriate enforcement action" necessary to pursue and collect court-ordered amounts from non-custodial parents. A variety of methods and processes have been established by the Department to collect funds, including wage withholding, income tax refund offsets, and property liens.

One enforcement area not developed is pursuing the estates of deceased non-custodial parents. During fiscal year 2004, more than 230 cases were closed because the non-custodial parent died, but no efforts were taken to pursue the estate. In many cases, existing liens were released and efforts to collect from other sources were halted. We estimate that more than \$1 million in court-ordered debts were written off, including more than \$150,000 in debts owed to the State.

The child support procedures manual does not include any procedures for identifying or pursuing the estates of deceased non-custodial parents. Caseworkers generally determine that a non-custodial parent has died by reviewing the local newspaper obituaries or from information provided by individuals involved in the case. Data from Vital Statistics and the Social Security Administration is available but may take several months after the date of death before it is provided to the caseworker.

The Department currently has an estate recovery program in place for the Medicaid program, which could be used to pursue the estates of deceased non-custodial parents.

We recommended that the Department develop procedures for pursuing child support debts from the estates of deceased non-custodial parents through probate or other means. The Department should consider combining these efforts with the existing estate and probate recovery activities in the Medicaid program.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

Current Status: **CLOSED**

The Welfare Division is still looking for a possible solution. The Division attempted to identify a method with the assistance of Medicaid, but tests did not yield results. The Welfare Division is now working with the Health Division to develop another possible solution.

04F-4

Children's Health Insurance Program (CHIP)
93.767
Department of Health and Human Services
Questioned Costs: \$5 million
(federal share = \$4 million)

Eligibility continued to be improperly determined in one-third of the Children's Health Insurance Program (CHIP) clients tested. The fiscal year 2001 audit report disclosed that 25% of children enrolled in CHIP did not meet all eligibility requirements. The fiscal year 2003 audit report followed up on this issue and disclosed that errors continued to exist at nearly the same rate. Efforts were taken by the Department to modify the Eligibility Program Information Computer System (EPICS) and perform case reviews, resulting in a reduction in the number of clients enrolled in CHIP from 12,106 at June 2002 to 10,704 at June 2003. Total clients enrolled as of June 2004 were 12,046.

The audit showed that errors in determining eligibility continued to exist. A test of 30 randomly selected clients enrolled during June 2004 showed that 10 (33%) were not eligible for CHIP. Most of the errors were the result of miscounting income or resources, with some cases containing more than one error, such as excess income and having private insurance in force at the time of application.

A comparison of all 12,046 clients enrolled in CHIP in June 2004, with client health insurance coverage known by the Medicaid AIM system, showed that 1,239 (10.3%) had some form of health insurance coverage in force during the month. In nearly all cases, insurance data existed at the time of application or at the annual redetermination date but was not considered in determining eligibility.

Most errors were the result of increasing case loads, declines in resources and staffing, and the use of outdated automated systems. Although the number of clients served from month to month appeared to have leveled off, this comparison did not reveal the actual volume of work performed.

Additionally, there were no system edits in either EPICS or the Medicaid claim payment system to identify CHIP clients who have health insurance resources. Policies were not in place to direct staff to search for insurance coverage in the Medicaid system at the time of application or during the annual redetermination.

Proper eligibility determination is crucial in providing CHIP benefits to only those in need. These errors could result in the repayment of more than \$4 million to the federal grantor for the federal share of CHIP benefits provided to ineligible clients.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

We again recommended that the Department review case files and remove ineligible clients from CHIP. Additional resources and renewed efforts are also needed to develop new automated systems and processes to limit the opportunity for recurring eligibility errors.

We also recommended that the Department negotiate a resolution with the federal grantor concerning the potential refund for the cost of providing services to ineligible clients.

Current Status: **CLOSED**

The legislature granted the Department authority to fill 25 employee positions in April 2005, with an additional 25 positions approved for fiscal year 2006. The Department filled all of the authorized positions and has resolved the questioned costs amount with the federal grantor.

04F-6

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

The Department had not taken steps to pursue absent parents for reimbursement of ongoing Medicaid costs. Federal regulation (42 CFR 433.138) requires the Department to seek reimbursement of Medicaid costs from all liable third parties. A liable third party is defined by federal regulation (42 CFR 433.136) as "any individual, entity or program that is or may be liable to pay all or part of the expenditures" for medical assistance furnished under the Medicaid program.

The fiscal year 2002 legislative audit recommended that the Department take steps to develop and implement a strategy to pursue and recover Medicaid costs from absent parents. However, as of January 2005, no efforts have been made to pursue absent parents for ongoing Medicaid costs.

The regulations specify the actions to be taken, and require the Department to identify the paternity of all children receiving assistance, and obtain data about the absent parent and their employer in order to recover the costs of services provided. Efforts to identify paternity and employer data can be coordinated with the Child Support Enforcement program. However, the regulations clearly establish the Medicaid program's responsibility to identify all absent parents and other liable third parties, since many clients are not served by the Child Support program.

Administrative rules (IDAPA 16.03.09.031) further reinforce this issue by directing the Department to "recover payments for medical expenses from any liable third party, including a parent."

The legal responsibility and location of absent parents are known for most of the 25,000 cases that have an existing court order for child support. If only 10% of these cases were pursued, the Department could recover more than \$6 million in Medicaid costs and possibly reduce future costs by encouraging absent parents to insure their children rather than risk potentially large recoveries. The effort to pursue absent parents may require additional resources that could be offset by the recoveries generated by this effort.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

We recommended that the Department develop a strategy to pursue and recover Medicaid costs from absent parents. This strategy should include methods for identifying all absent parents and opportunities to incorporate the Department's existing efforts and information in pursuing these individuals.

Current Status: **CLOSED**

THIS ISSUE IS REPEATED AS FINDING # 07F-2.

FISCAL YEAR 2005

HEALTH AND WELFARE, DEPARTMENT OF

05F-1

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

Changes were needed in the criteria used to establish Medicaid eligibility under the Katie Beckett program. The Home Care for Certain Disabled Children (Katie Beckett) Medicaid program is authorized under section 1915(c) of the Social Security Act, and allows states to extend Medicaid eligibility to children with disabilities, who would not otherwise qualify due to parental income or other resources. These children require an institutional level of care and would qualify for Medicaid if placed in an institution. However, by waiving the income and resource requirements, these children can be cared for in their own home at a lower cost to Medicaid. The primary program objective is to provide the required institutional levels of care at the lowest possible cost to the Medicaid program.

Federal regulations define "institutional level of care" as those services that are inherently complex; performed or supervised by technical or professional personnel; have been ordered by a physician; and are required 24 hours per day and ordinarily furnished, as a practical matter, on an inpatient basis (42 CFR 409, 435, 440, and 483).

Federal regulation (42 CFR 435.225) also defines the criteria that states must meet when determining eligibility under the Katie Beckett program. States can extend eligibility to children under the age of 19 "who would be eligible for Medicaid if they were in a medical institution, and who are receiving, while living at home, medical care that would be provided in a medical institution." In addition, it must be appropriate to provide this care outside such an institution, and the cost to Medicaid shall be no higher than the estimated Medicaid cost for appropriate institutional care.

In Idaho, the Katie Beckett Medicaid program is included in the Department's Medicaid State Plan, and the conditions for eligibility and other requirements are established in administrative rules (IDAPA 16.03.05 and 16.03.09). Although these rules generally mirror the federal regulation language, the Department's interpretation states that eligibility is "not dependent upon the receipt of services, but rather on whether the child needs the level of services" provided by an institution. In addition, the family may or may not choose to

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

receive the same level of services they would receive in an institution, and they may elect to receive fewer services as long as the child can be safely and effectively served in the community. This interpretation varies from the language and intentions of federal regulations by establishing eligibility based on medical condition without regard to the delivery of required institutional levels of care while the child lives at home.

During fiscal year 2005, more than 1,600 children received Medicaid benefits under the Katie Beckett program at a cost of nearly \$24 million. However, nearly one-third of these children (534) received less than \$3,000 each in benefits during the year. Most of these children received limited services, such as school-based therapy, prescription drugs, or other services that were not institutional in nature. Significant periods of time existed when no services were provided at all. Allowing families to choose the type, frequency, and intensity of services is contrary to the federal criteria that the child receive the required institutional levels of care as a condition of eligibility.

No requirement exists for the Department to ensure that the required institutional level of care is provided. Cost data in the Medicaid system clearly shows that at least one-third of the current clients are not receiving institutional levels of care, and the Department has no knowledge that these services are provided, or paid for by the family. The absence of any evidence that institutional care is provided raises the likelihood that, although medically eligible for institutional care, the delivery of such care is not required, and the objectives of the Katie Beckett program are not met.

A comprehensive medical evaluation and needs assessment is developed for all clients determined eligible for the Katie Beckett program. However, no process exists to ensure that the level of care required and ordered by a medical professional is provided.

A more thorough review is needed to determine whether the lack of Medicaid costs for institutional care is an issue of eligibility, medical diagnosis, or the need for improved monitoring to ensure clients are receiving appropriate care paid for or provided by others.

Other states have recently revised their rules, and require parents of a Katie Beckett child to provide detailed documentation of medical services provided to ensure that the child is safely and effectively served outside an institutional setting. This information could also confirm whether the determination of medical condition and eligibility was appropriate.

We recommended that the Department undertake a thorough review of the criteria used to determine eligibility in the Katie Beckett program, and establish processes to monitor services provided to clients to ensure that an appropriate level of care is provided.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

Current Status: **CLOSED**

The Department disagrees with this finding, believing that all Katie Beckett clients are eligible in accordance with federal regulations and the State Plan. However, the Department has developed additional review steps to strengthen its eligibility determination process. The Center for Medicaid Services (CMS) agrees that if these additional steps are properly implemented, it would help verify whether Katie Beckett clients have received institutional level of care. The federal grantor has cleared and closed this finding.

05F-2

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

Idaho is one of only two states without a certified Medicaid Fraud Control Unit (MFCU). The federal government offers a grant program (CFDA 93.775) to fund State MFCUs. The grant provides 90% federal funding for the first three years, and 75% thereafter, for investigation and prosecution of fraud and patient abuse in the State Medicaid program. The certified MFCU must be separate and distinct from the State Medicaid agency, and must employ sufficient professional, administrative, and support staff to perform its duties and responsibilities in an effective and efficient manner.

The Department's Fraud and Investigation Unit does not meet the independence requirements to be certified and is, therefore, funded as Medicaid administrative costs at 50% federal match. In addition, no comprehensive program exists within the Department or other State agency to investigate and prosecute patient abuse issues. As of June 2005, Idaho and North Dakota are the only states without a certified MFCU.

Increased Funding. Moving the program to an independent entity, such as the State Attorney General's Office, would allow the program to be certified and receive five times more resources every year for the first three years, and double the current resources every year thereafter, without any additional General Funds. Total program funding could increase from \$400,000 to \$2,000,000 per year for the first three years and \$800,000 per year thereafter, based on the current General Fund share of \$200,000.

More Investigations and Recoveries. More suspected Medicaid fraud cases could be investigated and pursued, which would likely result in increased recoveries. A national report of certified units in other states for fiscal year 2003, showed that recoveries averaged more than \$2 for every \$1 in costs. The enhanced federal funding could also provide the resources necessary to establish a comprehensive program to seek out, investigate, and prosecute physical and financial abuses of elderly patients. Current national and local news stories about abuse of the elderly highlight the need for a program to address these issues in Idaho.

Other Benefits. Several other benefits result from establishing a certified MFCU. For example, an independent unit would allow investigations to proceed without any actual or perceived conflicts of interest. This would improve public confidence and ensure that investigations were resolved based on the merits of the issues.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

Establishing the unit within the State Attorney General's Office would also provide a statewide platform in which to announce the efforts and results of fraud investigations and elder abuse. This public exposure would provide additional deterrence, and notify clients and providers that suspected cases of Medicaid fraud and elder abuse will be pursued.

We recommended that the Department initiate a dialog with executive and legislative leadership to evaluate the merits of establishing a certified MFCU, which could provide additional funding for investigating and prosecuting suspected cases of Medicaid fraud and patient abuse. We suggested that this dialog include the State Attorney General.

Current Status: **CLOSED**

The federal grantor does not require the Department to have an independent MFCU, but encourages Idaho to establish and implement policies and procedures to strengthen the State's ability to prevent, identify, and investigate fraud and abuse in the Medicaid program. The State Attorney General's Office has established a MFCU in 2007. The Legislative Audits Division staff previously met with members of the State Attorney General's Office to discuss efforts taken to establish a MFCU.

05F-3

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

The process for identifying and recording private health insurance coverage of Medicaid clients needed improvement. Federal regulation (42 CFR 433.139) requires the Medicaid program to establish the "probable existence" of liable third parties at the time claims are paid. This follows the general concept that the Medicaid program is the "payor of last resort" when all other resources and liable third parties, including private health insurance, are exhausted. The greatest challenge in meeting this requirement is identifying health insurance that exists or becomes available while a client is eligible for Medicaid assistance.

The Department has a contract to identify Medicaid clients who have private health insurance as part of the overall third-party recovery efforts. The contractor uses a variety of processes to identify Idaho Medicaid clients who have health insurance with carriers across the nation. They also analyze provider claims that indicate other insurance has paid a portion of the costs. Claims that indicate other insurance has paid are referred to as "suspect claims."

Some insurance data known by providers was not pursued. We analyzed all claims paid during February 2005 and identified 59,628 "suspect claims" where providers indicated a payment was received from an insurance resource. We performed a simple comparison of these claims with the record of known health insurance resources, and identified 1,168 claims (749 clients) in which resources known by providers were not entered in the Automated Information Management (AIM) system. Although providers sometimes identify amounts as "other insurance" in error, several claims that were

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

examined more extensively identified insurance resources that were not entered in the AIM system.

Several reasons exist as to why other insurance data is not pursued. However, most instances result from changes in a client's insurance coverage or carrier that are not identified promptly and do not trigger a review of the suspect claim. Our review of suspect claims was performed nearly seven months after the claims were paid, and highlighted this situation. A retrospective review of suspect claims could identify new resources and reduce the delay in identifying policy changes or new insurance carriers.

Insurance resources were recorded that have little or no possibility for cost avoidance or recovery. We analyzed the nearly 82,000 insurance resources added to the Medicaid AIM system during fiscal year 2005, and identified 489 insurance resources with coverage periods that started after the client's Medicaid eligibility had ended. Obviously, no cost avoidance or recovery could occur, since no claims were paid during the insurance coverage period. Based on the contract rate of \$39 per insurance resource, the Department paid nearly \$20,000 for insurance resource data that had no chance for any cost avoidance or recovery at the time it was entered.

The contract and related documents require the contractor to identify and validate insurance coverage for Medicaid-eligible recipients that can be billed. Although this process is not specifically described, the volume of resources that do not overlap client eligibility indicates the need to improve the contract definitions, processes, and monitoring.

No comprehensive data match exists with Blue Cross or Regence Blue Shield of Idaho. The contractor uses an automated "data match" process to identify Medicaid clients who have health insurance coverage. However, a comprehensive data match process does not exist with Blue Cross or Regence Blue Shield of Idaho, the two insurance companies that cover more than 75% of all Idaho citizens (based on the 2004 Idaho Department of Insurance annual report).

Blue Cross and Regence Blue Shield both provide access that allows the contractor to search for clients. However, the current processes are limited and create inefficiencies that may allow omissions to occur. An enhanced process is needed to improve the time frame and ability to identify Medicaid clients who have health insurance coverage issued by Idaho-based companies. This effort may require legislation or administrative rules to establish the Department's ability to access private health insurance data.

We recommended that the Department improve the processes and efforts to identify and record health insurance resources of Medicaid clients as follows:

- 1. Develop a retrospective review process for suspect claims in order to identify insurance resources known by providers previously excluded from the process.**

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

2. Amend the contract to define a valid insurance resource as one where the coverage period overlaps the client's period of Medicaid eligibility. The Department should analyze all insurance resources added during the last year, and request a refund from the contractor for fees to add resources for clients who were not eligible during the insurance coverage period.
3. Coordinate the establishment of an enhanced data match process with Idaho-based private insurance companies to improve the efforts to identify Medicaid clients having health insurance. This may require the assistance of the Idaho Department of Insurance and legislation to establish the Department's ability to access this data.

Current Status: **CLOSED**

Some insurance data known by providers is not pursued. The Department has revised the contract with its third-party recovery contractor, and the contractor has strengthened processes to ensure insurance is pursued and costs are appropriately avoided. CMS has approved this approach and has cleared and closed this portion of the finding.

Insurance resources are recorded to have little or no possibility for cost avoidance or recovery. The Department disagrees with this portion of the finding and maintains no corrective action is necessary.

No comprehensive data match exists with Blue Cross or Regence Blue Shield of Idaho. The Department has researched related legislation in other states. Copies of these statutes from other states have been reviewed by the State Attorney General's Office, and a potential statute for Idaho has been drafted.

05F-5

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not Determinable

Essential edits in the Medicaid claims payment system were disabled and allowed claims to be paid in error. Each state Medicaid program is required by Title XIX of the Social Security Act and federal regulations (42 CFR 433) to operate an automated claims processing system. These systems are generally referred to as Medicaid Management Information Systems (MMIS) and must meet strict standards for operation, as described in the *State Medicaid Manual* published by the federal grantor, Centers for Medicare and Medicaid Services (CMS).

The processing system must meet several basic procedures to ascertain that each claim includes proper information about the client, provider, type of service, and other data that ensure the claim is supported and the amount paid is accurate. Automated system edits, calculations, and comparisons are required to ensure the accuracy of claims processing to reduce or eliminate the opportunity for errors.

We analyzed claims paid from January to June 2005 and determined that several system edits that ensure the accuracy and validity of claim payments were disabled during this period. For example, the two

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

edits that ensure each claim properly identifies the client and the provider were disabled. These edits match the names and identification numbers on the claims to the list of authorized providers and eligible clients and are essential to ensure the accuracy of payments.

We identified nearly 500 claims paid between January and June 2005, in which client names and identification numbers did not agree to the record of eligible clients. Our limited review of 30 clients showed at least three instances in which the client actually served was incorrectly entered. In one instance, the claim was paid in error because the actual client was not eligible on the date of service.

We also noted that the edit to deny claims resulting from injuries or accidents was also disabled. This edit is intended to ensure that Medicaid is the payor of last resort and require providers to seek payment from other liable sources. These other sources are generally casualty or liability insurance in connection with injuries sustained in a vehicle accident or where other liability coverage may exist.

As a result, claims are paid that should be denied when other liable resources relating to injury or accident claims may exist.

We recommended that the Department enable all essential system edits to ensure the accuracy of claims paid and ensure that Medicaid is the payor of last resort when claims relating to injuries or accidents are submitted.

Current Status: **CLOSED**

The Department has taken steps to apply the "name number mismatch" edit to crossover claims from Medicare. These crossover claims were not previously subjected to this edit, and were the bulk of items identified in the audit. The Department asserts that the edit check for injury accident claims is active and that these claims are automatically pended for further review, with the exception of Medicare claims that the Department is federally mandated to pay as submitted. The federal grantor has cleared and closed this finding.

05F-8

Child Support Enforcement

93.563

Department of Health and Human Services

Questioned Costs: Not determinable

The number of child support cases with debt errors had declined, but remained high. Child support obligations are established by an order of the court and recorded in the Department's sophisticated computerized program known as the Idaho Child Support Enforcement System (ICSES). This system has features to record and accrue debt amounts, track collections, and distribute funds on multiple debts. Total debt balances on the nearly 82,000 open cases in the system, as of June 2005, were approximately \$490 million.

We reported in a prior audit that more than 75% of child support debts pursued by the Department were the wrong amount or type of debt. Significant improvements have been made in the procedures to establish and adjust debts in ICSES, and several hundred cases are reviewed every month by a contractor to identify and correct debt errors. Review efforts have focused on cases where the client has

STATE OF IDAHO

Prior Federal Findings and Questioned Costs Prior to the Fiscal Year ended June 30, 2007

complained or the caseworker has noticed a potential error in the debt balances. These improvements and focused reviews have reduced the number of cases with debt errors to approximately 20%, based on our current sample results. However, this still represents more than 16,000 cases (20% of 82,000) where the Department is pursuing the wrong amount or type of debt.

At the current volume of reviews performed each month, it will take more than ten years to work through all existing cases to identify and correct debt balance errors. The Department's request for additional funding to address this issue was not included in the Governor's recommendation in the fiscal year 2007 budget. In addition, changes in program requirements at the federal level will likely reduce grant funds in the coming year and place additional demands on State resources to meet program needs.

We recommended that the Department enhance its efforts to review and correct child support debts. The Department should continue to pursue additional resources to address this issue in order to complete this effort within a reasonable time frame, perhaps within the next two to three years.

Current Status: **CLOSED**

The Child Support program has improved the financial accuracy of cases by establishing consolidated units and standardizing the various processes. Each consolidated unit has developed, or is in the process of developing, processes and methods to improve performance.

Although improvements have been made to reduce errors, efforts to evaluate the accuracy of debts for all cases will still not be completed within the recommended two to three years, based on the current rate of case reviews.

FISCAL YEAR 2006

HEALTH AND WELFARE, DEPARTMENT OF

06F-1

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

The Medicaid program has not coordinated the efforts to recover benefit costs through the child support program as required. Federal regulation (42 CFR 433.151) requires the State Medicaid program to establish an agreement with the State child support program to coordinate the recovery of benefit costs from non-custodial parents and other third parties. The Medicaid program is required to pay the administrative expenses that are not otherwise allowable under the federal Child Support Grant and to pay an incentive to the State program equal to 15% of the amounts recovered. This incentive amount is paid entirely from the federal share of the recoveries.

The State Medicaid Plan indicates that the required agreement exists with the child support program, but a copy of this document could not be located by the Department. In addition, we found no evidence that the Medicaid program had ever paid the child support program for

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

expenses to recover benefit costs or the 15% incentive of the amounts recovered.

The child support program has actively pursued the recovery of Medicaid birth costs over the past three years, as a result of prior audit recommendations. During this period, the child support program has recovered the following amounts:

FY 04	\$2,585,492
FY 05	2,448,225
FY 06	1,570,510

Collections have declined during the past year due to instructions from the federal child support grantor that the administrative expenses to recover Medicaid benefit costs are unallowable. Therefore, the child support program discontinued its efforts to recover these amounts due to a lack of funding, not knowing that the expenses for these efforts were reimbursable from the Medicaid program. The incentive payment could also have provided nearly \$1 million over the past three years in additional funds to enhance the child support program's efforts.

We recommended that the Department establish a new cooperative agreement between the Medicaid and the child support programs that meets the requirements of federal regulations. We also recommended that the Department investigate whether prior period costs for services and incentives are recoverable from the Medicaid program by the child support program.

Current Status: **CLOSED**

06F-2

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

THIS ISSUE IS REPEATED AS FINDING # 07F-2.

Medicaid eligibility for newborn children is mistakenly ended early or not established at all. The State is required by federal regulation to develop Medicaid eligibility criteria and incorporate the criteria into the State Plan. The criteria for a child born to a poverty level woman is further defined in administrative rule (IDAPA 16.03.01.601), and requires that the child remain Medicaid eligible for one year from date of birth. Other than a loss of residency, all other eligibility criteria for a newborn child are not applied until the annual renewal is completed.

We included a random sample of 68 (from a total of nearly 10,000) newborn children in our test for eligibility paid for by Medicaid during calendar 2005. Our tests showed that eligibility was ended early, in error, for 7 newborn children (10%), and 3 others (4%) did not have eligibility established at all. The most common reason for ending eligibility was failure to complete redetermination. However, such action is not required for newborn children through their first 12 months. The reasons for failing to establish eligibility were not clear. However, the complexity of the processes and control weaknesses inherent in the Eligibility Program Information Computer System (EPICS) are contributing factors.

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

The Department uses ad-hoc reports from EPICS to address a variety of issues, including newborn children whose eligibility has mistakenly ended early. These reports are either not produced or worked each month, and efforts to identify newborn children who are not made eligible has not been fully developed.

Based on the results of our sample, we estimate that more than 1,500 newborn children had their eligibility ended early or not established at all during calendar 2005. This situation is contrary to the State Plan and creates a situation whereby vulnerable newborn children are denied access to medical care.

We recommended that the Department establish procedures to ensure all children born to poverty level women remain eligible for one year from date of birth as required by the State Plan. These procedures should include creating and working ad-hoc reports each month that identify newborn children whose eligibility has ended early and those whose eligibility was not properly established. We also recommend that the Department provide staff with additional training to reduce errors in establishing and maintaining newborn eligibility.

Current Status: **CLOSED**

The Department has established a consolidated Family Medicaid Maintenance Unit and has been generating a monthly report of ended eligibility for children under one year of age that is reviewed by field workers. Our review of a current report shows that the Department has significantly reduced the number of children whose eligibility has mistakenly ended early.

06F-3

Medical Assistance Program

93.778

Department of Health and Human Services

Questioned Costs: Not determinable

Medicaid eligibility data in EPICS is still not reconciled to the Medicaid Automated Information System (AIM). We recommended in the fiscal year 2003 and 2005 audits that the Department establish a reconciliation process between EPICS and the AIM payment system to ensure client eligibility was properly recorded and provider claims were promptly paid. This reconciliation process has not been fully developed, and the ongoing enhancements to the EPICS system are creating new variations and errors in client eligibility that are not actively identified or corrected.

The Department received additional funding in fiscal year 2007 to begin the process of replacing EPICS. This system has worked well over the years at processing and storing data, but was originally developed during the early 1980s and has been extensively modified over the past 25 years. The core software and system processes do not integrate well with current technology, and many other factors limit its overall functionality. In addition, staff training and quality control programs have been reduced or eliminated over the years. It is these conditions that create the opportunity for errors and the basis for seeking to enhance and replace the EPICS system.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

We analyzed a small sample of 173 clients eligible in the EPICS system for June 2006, that did not have eligibility in the AIM system. We determined that 69 of these clients had an error in their EPICS record that delayed or prevented the record from being added to the AIM system. Without a record in AIM, clients do not receive a Medicaid card with access to services, and providers cannot receive payment for services.

Although our analysis was not statistically based, the quantity of errors indicates serious weaknesses in the processes and controls that ensure eligibility data is properly recorded. Hundreds of cases per month are corrected manually by the EPICS help desk employees who receive questions and complaints from regional caseworkers and others. However, there are no procedures in place to actively identify and correct errors in EPICS until a question or complaint is filed.

Efforts have not been taken to reconcile the eligibility data in the EPICS and AIM systems because the process is very labor intensive, and resources are directed toward other issues. The ongoing enhancements to the EPICS system are adding to the complexity, and no interim procedures exist to ensure the accuracy and integrity of the eligibility records. As a result, clients are not provided benefits promptly or at all, while providers who render services to clients cannot be paid until the AIM record is created.

We recommended that the Department establish interim procedures to identify and correct errors in the automated records that cause client eligibility to be delayed or not established at all. These procedures should include actively identifying cases each month with characteristics known to cause eligibility errors and methods for documenting the changes made to the client record.

New issues will likely arise as the EPICS system enhancements continue, and these interim procedures should expand to minimize any future detrimental effect to clients and providers until all enhancements are fully operational.

Current Status: **CLOSED**

06F-4

Child Support Enforcement

93.563

Department of Health and Human Services

Questioned Costs: \$499,000

THIS ISSUE IS REPEATED AS FINDING # 07F-1.

Nearly \$756,000 from the Child Support Grant was erroneously expended for services to ineligible clients. Federal regulation (45 CFR 302.33) requires the Department to provide services to clients who are either required to cooperate with the child support program as a condition of receiving assistance, or who applied for services and paid an application fee of \$25. In 1998, new federal requirements were established (42 USC 654b) that require each state to operate a centralized receipting and disbursement unit. Costs for operating this unit are allowable to the grant, but only for those clients who meet eligibility requirements. Costs associated with providing services to clients who are not required to cooperate, or have not applied and paid a fee, are unallowable to the federal grant.

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

Cases where clients do not meet eligibility requirements are identified as "receipting services only," or RSO cases. The number of RSO cases identified by the Department as of June 2006, was 20,122 of the nearly 131,000 total cases in the ICSES automated child support management system. The Department identifies the cost of services to RSO cases based on a proportionate share of the automated case management system, receipting services contract, and related costs. The total cost for services to RSO cases during fiscal year 2006 was \$1,154,000.

The Department transferred about \$398,000 of these costs to the TANF Grant, which we identified as unallowable to that grant in Finding 0F6-5. The remaining \$756,000 was paid from the Child Support Grant, in error.

These cost errors were due partly to changes in staff and a misunderstanding of the requirements to exclude these costs from the federal grant. Our review indicates that the practice of claiming these costs to the federal grant has been in effect for at least the last three years.

We recommended that the Department exclude costs from the federal grant for child support cases where the client is not eligible for services. We also recommended that the Department resolve the fiscal year 2006 questioned costs with the federal grantor, and determine if adjustments for prior year claims that included these costs are required.

Current Status: **CLOSED**

06F-5

Temporary Assistance to Needy
Families (TANF)

93.558

Department of Health and Human Services

Questioned Costs: Not determinable

THIS ISSUE IS REPEATED AS FINDING # 07F-8.

Documents were not available to support TANF eligibility in 60% of cases tested. Federal regulation (45 CFR 263.2(b)) and Department rules (IDAPA 16.03.08) require the Department to obtain documents to support eligibility determination for cash assistance under the TANF program. These documents include a birth certificate, social security card, a personal responsibility contract, immunization record, and school attendance record if applicable.

During fiscal year 2006, the Department provided \$3.7 million in TANF cash assistance to nearly 8,500 clients. We randomly selected 30 clients to test eligibility, and identified 18 (60%) where one or more required documents were missing from the case file. Most case files were missing two or more documents, with one file missing all five required documents.

There are financial penalties established in the Department's rules for families who fail to provide documents. For example, school attendance records are required for all children in the household, and a \$50 penalty per month, per child, will be subtracted from the cash assistance if a child does not attend school. The lack of school records would indicate that penalties could be assessed; however,

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

none of the nine cases in our sample that were missing these documents were penalized.

Our review indicated that some of the Department's regional offices use a standardized checklist to assist staff in identifying the required documents. Most of the errors were in regions where the checklist was not used, and this appears to be the common factor as the cause for missing documents.

We recommended that the Department review all TANF cases, and obtain any missing documentation to reassess whether eligibility and benefit amounts were properly determined. We also recommended that the Department develop a checklist to be used by all regional offices to ensure that all supporting documents are obtained before benefits are issued.

Current Status: **CLOSED**

The Department has implemented a new computer application called E-Verify that provides an adequate audit trail by case number and will address this concern. The application serves as the initial inquiry tool used by a caseworker to access a variety of systems and verify information such as social security numbers, income, and birth and death status. It also functions as an audit trail by maintaining searchable records detailing the caseworker, which documents have been verified, and how and when they were verified. The federal grantor accepted the Department's assurance that policies and procedures in place were adequate to document eligibility.

06F-6

Temporary Assistance to Needy
Families (TANF)

93.558

Department of Health and Human Services

Questioned Costs: \$4,590,000

TANF funds were used for Head Start, child support receipting, and other unallowable activities. Activities funded by the TANF Grant must meet one of four broad objectives established in federal regulations (45 CFR 260.20). These objectives include providing assistance to needy families so that children can be cared for in their own home, promoting job preparation and marriage, reducing out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families.

The Department uses TANF funds to provide a variety of activities and services, some of which do not meet TANF objectives. For example, during fiscal year 2006, the following activities were paid with TANF funds:

1. \$1,081,000 – Immunization Registry Information System (IRIS)
2. \$100,000 – Poison control center hotline
3. \$1,535,000 – Head Start for educational activities
4. \$398,000 – Child support receipt processing costs
5. \$1,476,000 – Governor's Coordinating Council for Families and Children for Suicide Prevention, Brightest Stars, and other activities

The federal grantor reviewed Idaho's TANF State Plan for fiscal year 2007, and has required that amounts allocated for the poison control hotline and immunization registry be removed because they do not

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

meet TANF objectives. Our analysis showed a similar disconnect for the other listed activities. Educating preschool children, processing child support receipts, and preventing suicide, as well as several other costs within the Governor's Coordinating Council are not objectives of the TANF program and are unallowable to the grant.

If a state misuses TANF funds, the federal grantor can reduce the grant award by the amount misused, plus an additional 5% of the quarterly grant award, if the misuse is determined to be intentional (45 CFR 263.10).

We recommended that the Department evaluate all programs funded by the TANF Grant to ensure that funds are used only for activities that specifically meet the federal objectives. We also recommended that the Department resolve the questioned cost amount with the federal grantor.

Current Status: **CLOSED**

THIS ISSUE IS REPEATED AS FINDING # 07F-9.

06F-7

Child Care and Development Block Grant
93.575

Department of Health and Human Services
Questioned Costs: Not determinable

Client eligibility requirements for child care assistance is not properly documented. Federal regulation (45 CFR 98.20) and administrative rules (IDAPA 16.06.12) require the Department to obtain specific documents to support client eligibility for assistance under the Child Care and Development Block Grant program. These documents include a signed application declaring citizenship, proof of wages or verification of educational activities, a utility bill to prove residency, and a birth certificate or social security card if the age of the child or citizenship appears questionable. A record of the child's immunizations is also required.

During fiscal year 2006, the Department provided \$31.2 million in direct child care assistance to 9,100 clients. We randomly selected 32 client files, representing 71 children, to determine whether eligibility for child care assistance was properly determined and documented. The results of our tests were as follows:

Citizenship was not indicated or documented. The signed application form did not indicate that the child was a citizen in eight of 32 files reviewed (25%). No other evidence, such as a birth certificate, social security card, or other data was in the files to document citizenship for each child for whom benefits were provided. The reason for the incomplete application and missing documents is unclear, but the use of a checklist and improved supervisory review are possible remedies to this situation.

Progress reports were missing. Clients who receive child care assistance for educational or training programs must provide verification of "satisfactory progress" in order to remain eligible for assistance. Two of the 32 client files we selected were involved in training programs, but neither one contained progress reports as required.

STATE OF IDAHO

Prior Federal Findings and Questioned Costs

Prior to the Fiscal Year ended June 30, 2007

Immunization records were incomplete or missing. Federal regulation (45 CFR 98.41(a)) requires that children who receive benefits are properly immunized for their age, in accordance with the State's schedule of immunizations. Our review showed that 21 of 71 children (30%) did not have an immunization record, and 10 of the remaining 50 children (20%) had an immunization record that was not complete when compared with the State's schedule. The missing records related primarily to school-age children who likely had appropriate immunizations, but no evidence was in the files to support this. An annual review of immunization records is required, but these instances were apparently not discovered. The use of a checklist and improved supervisory review of these documents would also likely remedy this situation..

Exclusion of foster family income was not documented. Administrative rule (16.06.12.202) allows the Department to exclude the income of foster families who apply for child care assistance on a case-by-case basis. Two of the 32 files we selected involved assistance to foster families, but neither one considered or documented the income of the foster parents or indicated why the amounts were excluded. Our sample of these types of cases was too small to draw specific conclusions. However, no guidance is provided to caseworkers on the issues to consider or the documentation required for excluding foster family income.

We recommended that the Department obtain appropriate documentation of eligibility for all clients receiving child care assistance. A checklist for staff should be considered to ensure all requirements are met, with additional training and supervisory reviews when cases are established and eligibility is redetermined.

Current Status: **CLOSED**

The Department's new computer application, E-Verify, provides an adequate audit trail by case number and will address this concern. The application serves as the initial inquiry tool used by a caseworker to access a variety of systems and verify information such as social security numbers, income, and birth and death status. It also functions as an audit trail by maintaining searchable records detailing the caseworker, which documents have been verified, and how and when they were verified.

06F-8

Medicaid

93.778

Department of Health and Human Services

Questioned Costs: \$145,000

Federal funds were drawn early, in error. Each year the State of Idaho agrees to a variety of methods for drawing federal funds, as required by the federal Cash Management Improvement Act (CMIA). The objective of these methods is to minimize the time elapsing between the transfer of funds from the federal grantors and the actual disbursement of funds by the State.

The Department did not follow the agreed upon methods for drawing federal funds for several grant programs, the largest of which was the Medicaid program.

STATE OF IDAHO

**Prior Federal Findings and Questioned Costs
Prior to the Fiscal Year ended June 30, 2007**

The method for drawing Medicaid federal funds is based on the timing of when amounts disbursed are actually redeemed by the State Treasurer's Office, identified as a "clearance pattern." The clearance pattern used by the Department for fiscal year 2006 was the "draft" pattern, and not the final version in the formal CMIA agreement. The difference between the draft and final version was significant, resulting in the Department drawing Medicaid federal funds early for the entire year. This created a potential interest liability to the federal grantor, estimated to be more than \$145,000. The draft clearance pattern was also used to calculate the federal draws for several other grant programs, which could significantly increase the interest liability.

Other agreed upon draw methods are also not followed. For example, federal funds for the child care program were drawn once a week, yet the agreed upon method is to draw funds over a seven-day period. Cash assistance under the Temporary Assistance to Needy Families (TANF) program was drawn based on the benefit amounts authorized to clients, rather than when funds were actually disbursed. The potential interest liability is not material in these instances, but it indicates the need for a comprehensive review of all draw methods by the Department to ensure compliance with the CMIA agreement.

We recommended that the Department review the draw methods used for all federal grant programs to ensure compliance with the procedures identified in the CMIA agreement. We also recommended that the Department resolve the potential interest liability with the federal grantor.

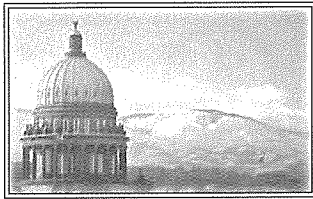
Current Status: **CLOSED**

The clearance patterns were reviewed and updated and other draw patterns were also reviewed in the CMIA agreement as of July 1, 2007. No interest liability remains. »

**STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**STATE ISSUES REGARDING THE
COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**





Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 30, 2008

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Legislature
Honorable Donna M. Jones, State Controller

We have audited the basic financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the State of Idaho, as of and for the fiscal year ended June 30, 2007, that collectively comprise the State's basic financial statements, and have issued our report thereon dated December 7, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the University of Idaho, Idaho State University, Boise State University, Lewis-Clark State College, Eastern Idaho Technical College and their respective component units, the Endowment Fund Investment Board, State Lottery Commission, Public Employees Retirement System of Idaho, IDEal Idaho College Savings Program, Idaho Life and Health Guaranty Association, Idaho Individual Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, Petroleum Clean Water Trust Fund, Idaho Building Authority, and Idaho Housing and Finance Association as described in our report on the State of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported separately by those other auditors. The financial statements of the Idaho Life and Health Insurance Guaranty Association, Idaho Housing and Finance Association, and IDEal College Savings Program were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Idaho's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Idaho's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

accounting principles such that there is more than a remote likelihood that a misstatement of the State of Idaho's financial statements that is more than inconsequential will not be prevented or detected by the State of Idaho's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 07S-1, 07S-2, 07S-3, 07S-4, 07S-5, 07S-6, and 07S-7.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not consider any of the deficiencies described above to be material weaknesses.

Compliance and Other Matters

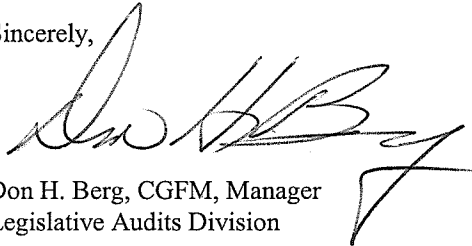
As part of obtaining reasonable assurance about whether the State of Idaho's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the State of Idaho in a separate correspondence issued at the State agency level.

Responses to the findings identified in our audit are described in the accompanying Schedule of State Findings and Questioned Costs. We did not audit the responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the State of Idaho, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don H. Berg", with a stylized flourish extending from the bottom right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

**STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF STATE FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2007**

CONTROLLER, OFFICE OF THE STATE

- 07S-1 Internal control weaknesses exist in the process for preparing the *Comprehensive Annual Financial Report (CAFR)*.

LIQUOR DISPENSARY, IDAHO

- 07S-2 Access to the computerized accounting system is inappropriately assigned.
- 07S-3 Time sheets are not properly signed or approved.

SUPERINTENDENT OF PUBLIC INSTRUCTION, DEPARTMENT OF EDUCATION

- 07S-4 Interest of nearly \$4.9 million was not posted to the Public Education Stabilization Fund as required by Idaho Code.
- 07S-5 Access to sensitive teacher certification information is not properly secured.

TREASURER, OFFICE OF THE STATE

- 07S-6 Discrepancies in the investment accounting system data raise the risk of errors in the distribution of earnings and reported value of investments.
- 07S-7 Issuance costs of \$80,000 for the Bond Bank Authority were subsidized by the State Treasurer's Office.

**STATE OF IDAHO
SINGLE AUDIT REPORT
STATE FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2007**

CONTROLLER, OFFICE OF THE STATE

FINDING 07S-1

Internal control weaknesses exist in the process for preparing the Comprehensive Annual Financial Report (CAFR). Internal controls are essential to ensure that financial statements are accurate and complete. We noted several control weaknesses that contributed to errors and omissions in the financial statements of the CAFR that we are required by generally accepted auditing standards to disclose in the report. We noted the following conditions:

1. Duplicate adjustments were made to the beginning balance of construction in progress. In addition, project costs removed from construction in progress were not always capitalized when appropriate.
2. Capital lease payments in the statement of cash flows were not comparable to the changes in these leases as shown in the notes to the financial statements.
3. Investment information for PERSI was not based on the most current draft of the audit report.
4. No comparison was made to identify any changes between the draft and final audit reports for colleges and universities.
5. Some net asset balances were not properly restricted.
6. Several prior period adjustments were made to the financial statements, which are indicators that internal control weaknesses exist.

Adjustments were made to the financial statements to correct the above conditions. The overall internal control structure of the State Controller's Office is good, and these conditions represent isolated instances where controls should be reviewed and strengthened as appropriate.

RECOMMENDATION 07S-1

We recommend that the Office of the State Controller review the internal controls over the preparation of the CAFR and strengthen the processes as appropriate. This review should include processes for ensuring the accuracy of the financial statements, note disclosures, adjusting and capitalizing construction in process, and assimilating data from PERSI, the colleges and universities, and other entities.

**AGENCY'S CORRECTIVE
ACTION PLAN**

1. SCO will be using a new worksheet that will allow us to make adjustments to the increases and decreases in "construction in progress" and not the beginning balance. For proper capitalization of "construction in progress," SCO staff will compare the completed projects submitted on the Department of Administration Project Completion Report to the fixed asset system balances to verify that an asset has been capitalized for the completed "construction in progress" project. SCO staff will contact agencies that have failed to capitalize completed construction in progress and encourage the agency to capitalize the asset before fiscal

STATE OF IDAHO

State Findings and Recommendations for the Fiscal Year Ended June 30, 2007

year-end. In cases where the agency chooses to expense a "construction in progress" project, SCO will ask the agency for documentation of the decision, will evaluate the response, and will follow up as appropriate.

2. In preparing the CAFR, each CAFR team member is assigned specific areas of responsibility. Throughout the process, reconciliations are performed so that data reconciles throughout the document. Not all cash flow statements were completed by the second draft; therefore, not all reconciliations could be performed at that time. We will strive to produce notes earlier in the process so that all reconciliations are completed before submitting the CAFR for audit.
3. To prevent using older draft versions of outside audits, as new drafts are submitted, SCO staff will print all applicable pages of the note and new pages will be checked against sections already worked on. SCO supervisor will add a review of work papers in addition to the review steps that are currently being performed. Desk manuals have been revised to reflect these changes.
4. The SCO staff person responsible for receiving outside audits will compare each line item on final drafts to the interim drafts of the financial statements. Any changes noted will be communicated to the entire Bureau. In addition, the Bureau Chief will compare the final draft of outside audit financial statements to interim copies of outside audits before submitting the CAFR for audit.
5. The CAFR database structure defines fund balances which have been determined to be restricted by enabling legislation. In prior years, some funds have had a negative fund balance that should not be restricted. Changes were made to the structure to compensate for the negative fund balance, and those changes carried over to subsequent years. SCO staff will modify the way restricted funds are set up.
6. As SCO staff and agency staff gain knowledge experience, and expertise in financial reporting, they discover new information and perspectives about reporting requirements. While every effort will be made to capture all significant information that will make prior period adjustments unnecessary, SCO will continue to incorporate better reporting methods and data as that information comes to our attention.

LIQUOR DISPENSARY, IDAHO

FINDING 07S-2

Access to the computerized accounting system is inappropriately assigned. The Dispensary installed a new computerized accounting system in fiscal year 2005, and assigned significant access to several staff members to facilitate the installation process. Now that the system is fully installed and operational, some of these assignments are unnecessary or inappropriate and raise serious control issues. The current situation could allow changes to system processes or recorded

transactions to occur, and such events would be difficult or impossible to detect.

For example, we noted that some staff members can initiate and also approve payments, or create and approve general ledger batches. In addition, several staff members have the ability to adjust inventory levels and pricing within the system, even though they are not directly responsible for maintaining the inventory records.

These situations indicate a significant lack of segregation of duties and further raise the risks that errors could occur and go undetected. Now that the system is fully functional, the assignment of rights and access should be reviewed and adjusted to establish appropriate controls and reduce these risks.

RECOMMENDATION 07S-2

We recommend that the Dispensary evaluate each staff member's assigned rights and access to the computerized accounting system to ensure that job functions and activities are appropriately segregated. We also recommend that these assignments be periodically reviewed to identify changes as necessary.

**AGENCY'S CORRECTIVE
ACTION PLAN**

Our IT Department reviewed our ACCPAC accounting system access security tables, and has already removed non-essential users and administrative super-users from the system. Administrative rights are now restricted to appropriate IT personnel only. In addition, IT is currently reviewing the security tables with each department manager in order to evaluate each of their staff member's access to ensure it is commensurate with their assigned job responsibilities and that duties are appropriately segregated.

FINDING 07S-3

Time sheets are not properly signed or approved. The Dispensary does not use the State's online time sheet entry system (I-Time) at all of its locations. The payroll clerk enters the information for employees at these locations, but some of these time sheets are not signed by the employee or approved by the supervisor. These signatures and approvals are significant controls that ensure time reporting is properly submitted and accurate.

RECOMMENDATION 07S-3

We recommend that the Dispensary require that all time sheets have both the employee and supervisor signatures.

**AGENCY'S CORRECTIVE
ACTION PLAN**

We have recently installed DSL high speed internet access at the majority of our locations throughout the State. By the end of this fiscal year, we will have all but a few remote locations set up on the State's online time sheet entry system (I-Time), which will eliminate the potential for the vast majority of unsigned time sheets.

In the interim, our HR Department has already implemented the following procedures to ensure that all time sheets are signed by both the employee and supervisor.

- Time sheets are promptly submitted from each state liquor store for timely entry to I-Time by our payroll specialist.

STATE OF IDAHO

State Findings and Recommendations for the Fiscal Year Ended June 30, 2007

Time sheets submitted without proper signature require the employee's signature before the current SCO payroll processing cycle deadline. Supervisors will obtain the applicable employee's signature the next working day and forward that document by fax to the Payroll Department. The signed document will be stapled to the original faxed time sheet and the original will be kept on file at the store. These time sheets are marked "signature on file."

- Our Payroll Specialist has started an onsite training process with the State liquor stores on the use of I-Time. This program enables the personal password used by each employee to act as their signature. This training process is scheduled for completion by fiscal year end.

SUPERINTENDENT OF PUBLIC INSTRUCTION

FINDING 07S-4

Interest of nearly \$4.9 million was not properly coded to the Public Education Stabilization Fund as required by Idaho Code. Idaho Code, Section 33-907 was amended during the special session in August 2006 to allow the Public Education Stabilization Fund to retain the interest earned on its fund balance. This change was made retroactive to January 2006.

The Department notified the State Treasurer's Office in January 2007 to move interest intended for the Stabilization Fund from the Public School Income Fund for the period January 2006 to January 2007 as a result of this change in code. However, this change in interest distribution was not carried forward, and no interest has been credited to the Stabilization Fund since January 2007. The monthly interest distribution reports received by the Department showed that interest intended for the Stabilization Fund continued to be credited to the Public School Income Fund, but neither the Department nor the State Treasurer's Office noticed this ongoing error. Although no interest earnings were lost, the coding of amounts to the wrong fund could potentially affect transfers or other requirements associated with these funds.

We have confirmed that nearly \$4.9 million in interest was not properly coded to the Public Education Stabilization Fund during the period February 2007 to December 2007. An adjustment was made in January 2008 to correct this error, but we are concerned that the Department's financial monitoring procedures are incomplete or not properly followed.

RECOMMENDATION 07S-4

We recommend that the Department evaluate the financial monitoring procedures to ensure that all transaction cycles and events are included and that these procedures are followed.

AGENCY'S CORRECTIVE ACTION PLAN

The State Department of Education has reviewed its financial monitoring procedures pertaining to coding of interest to interest-bearing funds and has implemented routine reconciliations of these interest coding activities.

STATE OF IDAHO

**State Findings and Recommendations
for the Fiscal Year Ended June 30, 2007**

FINDING 07S-5

Access to sensitive teacher certification information is not properly secured. The Department uses a software system to electronically store certification documents submitted by current teachers. Each Department employee that uses this system has broad access rights to create, modify, and delete files. Several of these employees also handle and record payments, which creates a significant internal control weakness and an opportunity for errors or misappropriation to occur and go undetected. Original documents are destroyed after being scanned into the system, which further limits the ability to identify any irregularities in the records or processes. Until these original documents are destroyed, they are in unsecured boxes under the employees' desks, which allows for possible identity theft since these documents contain social security numbers, birth dates, addresses, etc.

Broad access levels were assigned to facilitate the installation process and were not amended or fully understood once the system was installed. In addition, the Department did not have user manuals or other documentation available about the system at the time we conducted our review.

RECOMMENDATION 07S-5

We recommend that the Department evaluate and adjust the access level of employees who use the electronic document system and limit the rights to delete and modify files as appropriate. We also recommend that employees who handle and record payments have "read only" access, and that all access levels are periodically evaluated and adjusted as necessary. We also suggest that certification documents be properly stored until destroyed.

**AGENCY'S CORRECTIVE
ACTION PLAN**

The Division of Teacher Certification has reviewed and reassigned access levels in its PaperClip32 system. Access is restricted by user, offering a better internal control. The Department has also educated its staff on proper handling of sensitive documents and has processes in place to minimize exposure to this information. The Department considers this issue to be resolved.

TREASURER, OFFICE OF THE STATE

FINDING 07S-6

Discrepancies in the investment accounting system data raise the risk of errors in the distribution of earnings and reported value of investments. The Office uses an investment accounting system software "QED" to account for the State's investments within three distinct pools. Reports from this system are used to distribute earnings and prepare and support the amounts included in the State's annual financial statements. The software allows staff to modify reports and contents to suit their particular needs.

We identified discrepancies in the investment reports and income distributions produced by the QED system that were not detected or corrected by the Office's existing controls. For example, accrued interest reported on the June 2007 IDLE Pool income distribution was \$720,780 higher than reported on the June 2007 IDLE Pool

reconciliation. We also noted discrepancies in the QED system reports for the long-term portion of investments in the IDLE Pool. One report shows the value as \$169,516,138, while a second report shows the value as \$170,869,463. This investment should be accounted for at the same value regardless of the report.

Although the ability to alter the software reports and formats is a contributing factor, our primary concern is that appropriate accounting expertise is not available to develop procedures to prevent or detect these discrepancies.

RECOMMENDATION 07S-6

We recommend that the Office review accounting procedures and controls to ensure the integrity of investment data within the QED system to produce accurate investment valuation and income distribution. We further recommend that the Office recruit appropriate accounting expertise in order to manage the complex investment accounting functions.

**AGENCY'S CORRECTIVE
ACTION PLAN**

1. Accrued interest reported on the June 2007 IDLE Pool income distribution was \$720,780 higher than reported on the June 2007 IDLE Pool reconciliation.

The discrepancies resulted from a change from the traditional State of Idaho cash accounting methodology to GASB accepted accrual accounting methodology. The differences are documented and the systems have been changed to accommodate the difference in accounting calculations with the exception of money market accounts. The current software programming is unable to accrue money market accrued income because of the daily fluctuations of the interest rate so this adjustment is done manually at the end of the month.

The difference of \$720,780 was the manual adjustment for the money market accruals, which was included in our reconciliation.

2. Various QED reports show different values for the IDLE long-term portion of investments in the IDLE Pool.

The QED report showing the balance at \$170,869,463 is reflecting the original cash that has been put into the long-term portion of IDLE. In order to balance daily to STARS on a cash basis, the reinvestments in the fund are booked at dollar for dollar in this portion of QED. In actuality, this fund is market to market so the net asset value fluctuates. The other QED report showing the balance at \$169,516,138 reflects this NAV fluctuation. In order to avoid confusion in the future, the State Treasurer's Office will be moving the long-term portion of IDLE in the QED holdings report (the dollar for dollar portion). We will assign this portion of the portfolio its own fund detail in STARS for balancing purposes.

STATE OF IDAHO

**State Findings and Recommendations
for the Fiscal Year Ended June 30, 2007**

FINDING 07S-7

Issuance costs of \$80,000 for the Bond Bank Authority were subsidized by the State Treasurer's Office. The Idaho Bond Bank Authority was established by Idaho Code as an instrumentality of the State within the State Treasurer's Office, but has a legal existence independent from the State. The purpose of the Authority is to bundle bonding activities of local governments to provide greater access to capital markets and reduce the cost of borrowing. Idaho Code further provides that the Authority can charge fees to local governments to cover issuance costs and related expenses.

The Office paid a total of \$80,000 for issuance costs of two separate bonds, \$20,000 of which was during fiscal year 2007. There is no indication in Idaho Code that the Office is responsible for costs associated with the Bond Bank Authority, or that a specific appropriation was provided. The Office subsidized these costs to ensure that local governments received more favorable financing agreements than were otherwise available.

RECOMMENDATION 07S-7

We recommend that the Office discontinue the practice of subsidizing the Idaho Bond Bank Authority and direct the Authority to recover issuance costs and other expenses through fees charged to local governments as allowed by Idaho Code.

**AGENCY'S CORRECTIVE
ACTION PLAN**

Regarding subsidizing issuance costs of \$80,000 for the Bond Bank Authority, prior to making the expenditures, the State Treasurer's Office communicated with legislators explaining our intent. Realizing the need for the expenditures, we obtained statutory authority, Idaho Code 67-8720, to spend STO appropriations for Bond Bank expenses.

The intent of the legislation was to allow expenditures to help the bond bank market itself as a viable entity for municipalities to use when accessing capital markets. It is anticipated that this expenditure will assist the Idaho Bond Bank to attract and encourage more municipalities to participate, and the increased growth in activity will not only spread issuance costs over a larger pool of borrowers but will ultimately allow the Bond Bank to begin to recover operating costs by charging modest fees for the services it provides Idaho communities.

*Compiled and Published
by*

*Idaho Legislative Services Office
Audits Division
P.O. Box 83720
Boise, Idaho 83720-0054
208-334-2475*